THE Freeman

IDEAS ON LIBERTY

SEPTEMBER 1957

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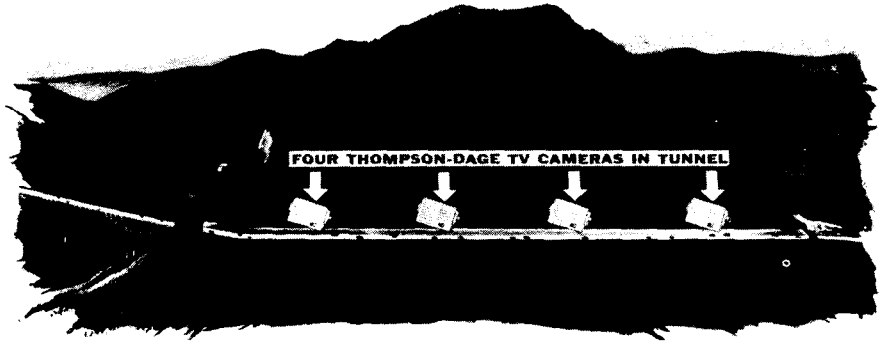

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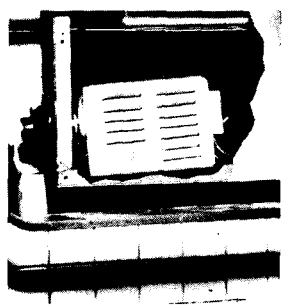

Four Dage Closed-Circuit TV Cameras like this one are mounted at spaced intervals on the ceiling of the Turnpike tunnel. Each feeds signals to its own Dage receiving set in the control room at one end of the tunnel.

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PALACES FOR "Protectors"

CHARLES I. FADDIS

THE DISSOLUTION AND FALL of the Roman Empire left a vacuum of law enforcement in the Mediterranean Basin and in the region bordering it to the north. By virtue of a roaring voice, a horse, a coat of mail, and a two-handed sword, many petty and ruthless men, calling themselves barons, popped into power – but history has termed many of them "robber barons." The secret of their success was rule by brute force. They took over a territory, called it their own, and administered its affairs as they willed.

By threat of the two-handed sword, they persuaded the more simple-minded people within the scope of their power to build them castles on craggy heights overlooking tracts of fertile land, encouraging these toilers with frequent applications of the lash and occasional hangings. In these castles the barons and their henchmen lived and enforced the baronial will. Each baron divided the land around the base of his castle into small plots which he allotted to men for the purpose of tillage. The holders of these plots were the serfs of the barons, and each baron promised to protect his serfs against the depredations of other barons if they would keep him in the luxury of the day. The serfs lived in squalor, the barons in luxury.

The barons took a goodly share of the crops and animals and a certain amount of the time of the serfs, their wives, and children for labor in their fields and in their castles. They usurped and exercised the power of judgment and execution. Since their luxurious standards of living and their gauges of importance depended upon the number of their serfs, the latter were fixed to the land upon which they had been placed. Serfs were not allowed to move about or attempt to better themselves, all this being done in the name of their pretended welfare.

Mr. Faddis, formerly congressman from Pennsylvania, further emphasizes here the importance of the "Right To Work" which he discussed in the July issue of The Freeman.

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The Myth of Security

Of course, the territory in which these benevolent plunderers conducted their so-called welfare operations was, in theory, ruled by some king or other whose right to rule and the bounds of whose kingdom were often doubtful. At the best, provisions and supplies were never plentiful. The trains of pack mules were liable to be captured at almost any time or place by the marauders from the castles, who claimed that it was blessed to despoil the rich in order to enrich the poor – the barons, of course, getting the lion's share of the spoil. Since the kings did not have enough power or stability to chart a strong long-range policy, they were forced to resort to temporary measures in order to sustain themselves. Bribery, special favors, extraordinary privileges, immunities, and titles were bestowed upon blackmailers, in proportion to their ability to threaten the peace. Women were given in marriage, or otherwise, in order to secure allies and preserve the status quo which was ever the primary objective.

The rights and liberties of the common people were of no concern when weighed against the lust of the barons for power. These masters tightened their hold without mercy until the serfs were slaves indeed. This condition was not brought about suddenly by any decree of anyone in power. No indeed. Even the ignorant power-intoxicated barons realized that they could not suddenly deprive a great number of people of all of their rights and liberties without bringing about a general uprising. Therefore, these rights and liberties were stolen a little at a time, under the pretext of necessity for security. Necessity has ever been the argument for tyrannical decrees. The most remarkable fact of the entire matter is that it was done to the very people who had always been so free and independent – the Germanic and Gallic people who had furnished the best warriors for the Roman Legions and who had even sacked Rome.

Liberty Slowly Regained

After about eight hundred years the people succeeded in regaining most of their lost liberties – but in the meantime millions of backs had been lashed into ribbons, and rivers of blood had drained down the gutters. Liberties are lost with much greater ease and with much less bloodshed than they are regained.

History is mainly a record of the contention for power by individuals seldom possessed of either the ability or the integrity to enable them to exercise power justly. The measure of their igno-

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rance and dishonesty has ever been the extent of their demands for mandatory authority over everything which they can touch. Powerful circumstances influence the feelings and opinions of men; but human nature, unchanged since Genesis, dictates the theme – the lust for power and the greed for gold.

Another Period of Serfdom?

Great changes do not come suddenly and are always preceded by signs of warning. Thus, the despotic wielding of power in labor affairs of our own time gives rise to the question: Are we returning to another period of serfdom?

Union leaders, like other leaders, will struggle for monopolistic power. The key to such power is a large following. Therefore, leaders make it difficult and undesirable for their members to change from one industry to another. The necessity of a union card in closed shops, seniority rights, promotions, equity in pension plans, welfare funds, health insurance, unemployment insurance, the guaranteed annual wage, and other fringe benefits are factors which assist in freezing workers to certain industries. The union bosses gain more rigid control every day.

In changing the manners and customs of great numbers of people the minds of those people must first be prepared for the change, as ground must be prepared for seeding. The minds of the workers have already been prepared by the campaigns which have stressed security as an objective, even above liberty. "Place yourselves in my hands and I will protect you from your enemies,"

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has been the potent appeal of the would-be exploiter of his fellow man since the dawn of history. The enemy against which the protection was to be provided has generally been one conjured up to suit the occasion and magnified into terrorizing proportions. Seldom have any of those upon whom the protection is to be thrust been possessed of the foresight to inquire how they are to be protected against the protector.

The Control of the Shepherd

A man protects his own property for selfish reasons. He protects his sheep from the wolves that he may shear them, and provides them security – behind fences. Of course, they are not now in any manner capable of taking care of themselves. They have been protected behind fences for too many generations. Yet before they were frozen to the control of the shepherd, they must have been capable of surviving unfenced. Protection of the poor has ever been a lucrative occupation – one which provided many luxurious palaces many centuries ago. But the protected have always paid dearly for the palaces in which their protectors lived in luxury.

When one has surrendered his rights, privileges, and liberties and has become obligated to someone else for support and protection – whether to an individual or to the State – then he who has surrendered becomes a vassal and ceases to be free. The more rights and privileges one surrenders, the more will be demanded by those to whom the surrender is made. Those labor leaders who play upon the statement that security is more important than liberty may class themselves as liberals; but in reality, they are the rankest of reactionaries. They are working to bring about a return to feudalism in which the workers will be fixed to certain industries, as the serfs of the robber barons were fixed to the land. • • •

IDEAS ON LIBERTY

Backfiring Weapons

THOSE WHO INVOKE the law to curb the liberties of others forge weapons which at a later time may be turned against them. If I use the law to destroy the freedom of my neighbor, I have no defense when my neighbor uses the law to destroy my freedom.

JOHN W. SCOVILLE, *Labor Monopolies—Or Freedom*
New York: Committee for Constitutional Government

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FERDINAND

Bettmann Archive

MANY WRITERS on economic history give the impression that the rugged individualists who led the economic development of the Victorian era were financial adventurers who lost the savings of the gullible with impunity, and invariably did more harm than good. Even that American classic of nineteenth century economic history, *The Migration of British Capital* by Leland Hamilton Jenks, leaves – even if unintentionally – that impression on the mind.

Yet it was these rugged individualists who, in a few short years, laid down those railway lines upon which the world's transport still largely depends; who opened up so many of the mines of America, Africa, and Asia; and who were the chief instruments in turning primitive lands, such as Western America, Australia,

Mr. Winder is a well-known British author, journalist, and lecturer, whose article on "Administrative Law in Great Britain" appeared in The Freeman, *August* 1957.

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GEORGE WINDER

E LESSEPS and the Suez Canal

South Africa, and New Zealand, into new and prosperous states.

These great leaders of enterprise who changed the face of the earth were, in the majority of cases, either British or American. But, if we are to choose one of this forgotten legion to illustrate the type at its best, then surely we must give the palm to that illustrious Frenchman, Ferdinand Marie de Lesseps.

Many great and unprecedented difficulties were overcome by the financial giants of the nineteenth century, but only the labors of Hercules can be compared with those which this intrepid venturer faced and overcame in his determination to change the geography of the world.

Before the cutting of the Suez Canal, the Isthmus of Suez was a vast and empty desert. It had not changed its character since one of Napoleon's officers, François Michel de Rozière, after describing the fertility of the Nile Delta, continued: "But journey on to the Isthmus and, under the same sky, all around is changed; no trace of cultivation, no house, no shade, no greenery, no running streams, in short, nothing of use to man or beast; search the vast horizon as you may, there is nothing to arrest the eye from sea to sea but parched and lifeless desert, bare rocks, glaring sands, and utterly arid plains."

It was through this barren waste that de Lesseps cut a canal 100 miles in length, to join the Mediterranean and the Red Seas. Hugh Schonfield, in his books on the Suez Canal, has given us a record of de Lesseps' difficulties. The first of these was to obtain a concession which would make the work worth-while to the investing public he hoped to interest in his project.

Egypt was normally a province of the Turkish Empire, but it was governed by an Albanian adventurer, Mohammed Ali, who, after pacifying the country in the name of the Turkish Sultan, made himself Viceroy and ruled with undisputed authority. He was a ruthless tyrant, but susceptible to modern ideas. He welcomed the

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investment of European capital in his country, and certainly became intrigued with the idea of the Canal.

British Opposition

No sooner was the suggestion of a concession made to him, however, than he found himself pressed by powerful interests to leave the project alone. The most determined opponent of the Canal was the British government.

Lord Palmerston, the British Prime Minister, had witnessed Napoleon's attempt to reach India by way of Egypt, and he still feared France as the greatest power in Europe. He suspected her designs in the East, and was determined that they should not be facilitated by a canal through the Isthmus of Suez. He considered that Great Britain had a perfectly good route to India around the Cape of Good Hope.

Furthermore, he looked upon the rising middle classes, with their stocks and shares and their projects for making money, with all the suspicion of the landed aristocrat. He proposed to Mohammed Ali that, instead of the Canal, a railway should be built from Alexandria to Suez, which he claimed would be sufficient to deal with all the possible traffic.

Pressed by Great Britain not to build the Canal, and by France and Austria not to build the railway, Mohammed Ali did nothing. In 1849 he died, and was succeeded by his grandson Abbas. Great Britain had paid court to this young man before his succession with the result that, on attaining power, he gave his permission for the railway to be built, and the project for the Canal faded into the distance. In 1854, however, Abbas was murdered by his palace slaves, and the prospects for the Canal were revived. The new Viceroy, Mohammed Said, was a much more civilized and intelligent ruler than his predecessor. Also, what is more to the purpose, de Lesseps, when a young man in the French consular service in Alexandria, had met him 18 years previously and made him a lasting friend.

The man destined to build the Suez Canal was living in retirement in the Manor of Chesnage, his old family home near Agnes Sorel in France, when he heard of Said's accession to power. He at once set out for Egypt.

De Lesseps was, at this time, a good-looking man in his fiftieth year, giving no other obvious sign of his great capacity than being liked by everyone he met. He possessed all the social graces, and he was a particularly good horseman – an accomplishment of which he was to make good use.

On landing in Egypt, he was re-

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ceived by the Viceroy with all the enthusiasm of an old friend. A villa was placed at his disposal, and he was invited to join His Highness's entourage in the forthcoming maneuvers. He was also presented with a beautiful Arab horse.

It was during these maneuvers that the great decision was made which was to have so many consequences on so many nations. Resting in the desert under the shade of a carriage, while chasseurs erected tents and built a parapet of stones around the center of an encampment, de Lesseps and Mohammed Said discussed the project of the Canal. They broke off their talks during the heat of the day, but de Lesseps returned in the evening. Finding his way obstructed by the high parapet erected that morning, he put his horse at it and leaped it gracefully – a performance which is thought to have impressed favorably the Viceroy's advisers, who were all cavalry officers.

Concession Granted

Be this as it may, de Lesseps certainly returned from this meeting with the coveted concession. Soon the Consulates of Cairo were buzzing with unusual activity. Great Britain's opposition to the Canal took the form of persuading Abdul-Mejid, the Sultan of Turkey, to exercise his rather nebulous right as the legal overlord of Egypt. De Lesseps, warned of this, hurried to Constantinople in the hope of persuading the Sultan to ratify the concession. Abdul-Mejid considered the Canal plan favorably, more especially as de Lesseps pointed out that no European government was behind the undertaking. At the same time, he feared to offend Great Britain, to which country he looked for protection against the threat of Russia. In these circumstances the British Ambassador at Constantinople had no difficulty in persuading him to withhold his endorsement of the concession.

De Lesseps, frustrated at the Sublime Porte, transferred his activities to the seat of the opposition – England itself. He wrote to no less a person than that very apostle of free enterprise, Richard Cobden. "How can England," he asked, "continue its incredible opposition to the Suez Canal, a private enterprise, in the origin, constitution, and object of which there is nothing to awaken any suspicion of political rivalry? How can the apostles of free trade and open competition propagate their doctrines when the two leading members of the Cabinet, who recently figured in their ranks, will not agree, through fear or horror of competition, to the suppression

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of a narrow neck of land which divides the two most opulent of seas, and stands as a feeble barrier against all the navies of the globe?"

He followed up this letter by visiting Great Britain. He was welcomed by shipping and mercantile interests, and addressed Chambers of Commerce throughout the land. Everywhere he went he obtained declarations and signatures in favor of the Canal.

He was entertained by the Royal Geographical Society, and received by Queen Victoria and the Prince Consort, who showed great interest in his project.

Skepticism Persists

It could hardly be expected, however, that one Frenchman should change the whole political outlook of Great Britain. The people who were capable of helping him were not convinced. As Justin McCarthy in his *History of Our Own Times* tells us: "Engineers showed that the canal could not be made, or at least maintained when made; capitalists proved that it never could pay; and politicians were ready to make it plain that such a canal, if made, would be a standing menace to English interests."

The Times explained to its readers that, in a land where the face of nature is changed by a tempest of wind, a single night of storm would engulf everything in the sand.

The Daily News declared: "The literature of fiction is not dead in the land of Alexandre Dumas and Monsieur de Lesseps. The most extravagant romancers are children compared with the discoverer of a new Pelusium, trying to convince his audience that 250 sick Europeans and 600 conscripted Arabs will accomplish this stupendous work, without money and without water."

The agitation in Great Britain in favor of de Lesseps was, however, strong enough to compel Palmerston to defend himself in Parliament. In doing so, he described the Canal as "an undertaking which, I believe, as regards its commercial character, may be deemed to rank among the many bubble schemes that from time to time have been palmed off on gullible capitalists. I believe that it is physically impracticable, except at expense which would be far too great to warrant the expectations of any returns. I believe, therefore, that those who embarked their money in such an undertaking would find themselves very grievously deceived by the result."

Although de Lesseps left England defeated for the time being, he nevertheless had that essential of an honest company promoter – something to sell. His famous

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concession was reviewed and ratified by the Viceroy in 1856. This provided that the Company to be formed by de Lesseps should execute the cutting of the Canal at its own cost, in return for which it was to have a lease of the land necessary for its undertaking and the right to charge dues for a period of 99 years, to commence from the date of the opening of the Canal.

A Great Company Is Formed

On the strength of this concession, de Lesseps decided to form his company and appeal for public subscription. Hoping to keep it free from political influence, and with the optimism typical of the company promoter, he proceeded first to allocate the number of shares which the citizens of the leading commercial nations of the world should be allowed to purchase.

Further to emphasize the company's independence of any one nation, he named it the "Compagnie *Universelle* du Canal Maritime de Suez." The capital was made up of 400,000 shares of 500 francs each, the franc then being worth about five to the dollar, and these were placed on the market in November 1858. The result was one of those setbacks the company promoter must expect. The British people – to whom, in his optimism, he had allocated 80,000 shares – took none whatever. Nor did the American investor, to whom he had hopefully allocated 20,000 shares – amounts which, we may presume, corresponded in his view with the comparative financial states of the two countries at that time.

Altogether, the citizens of some twenty nations subscribed for shares, but of these the people of Norway and Sweden, then one nation, applied for precisely one share, the people of Prussia 15, Switzerland 460, Portugal 2,719, Netherlands 2,615, and Spain 4,161. The Turks took 750 and the Egyptians 998.

The whole prospect of the Canal clearly depended upon the French people, to whom de Lesseps had allocated 80,000 shares but who fortunately applied for 207,160. Under the circumstances, these were, of course, duly alloted in full. But this still left the Company with some 177,642 shares unsold. All de Lesseps' work might yet be wrecked on those fatal financial rocks which have ruined so many imaginative undertakings.

But, at this crisis, his old friend, Mohammed Said, came to the rescue and subscribed for the balance of the shares. By this act, Said probably did more for Egypt than any other of its rulers. Whether this purchase by Said can

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be described as state aid to the Company, it is a little difficult to say, for Said made no invidious distinction between himself and his country. To him the dictum of Louis XIV – "L'etat, c'est moi!" – was obviously sound political thinking. The shares were registered in his own name. As we shall later see, they did eventually give a government financial stake in the Company, but it was not the Egyptian government which was to enjoy this advantage.

The Company had now overcome its first difficulties, but it still lacked the consent of the Sublime Porte to commence its work on the Canal; and, with England using its influence with the Sultan, this seemed as unobtainable as ever.

The Operation Begins

But de Lesseps and Mohammed Said now came to a bold decision. They decided to start the work without the endorsement of Egypt's shadowy overlords. On April 25, 1859, the first shovelful of sand was moved, near the spot on which Port Said – named after the Viceroy – now stands.

The work had not proceeded very far, however, before the Sultan, reminded of his ancient prerogatives, bestirred himself. He sent an imperative order to Said to stop the work at once. The Viceroy, not wishing to obey, but doubtful of the Sultan's power, was in a quandary. Laroche, the Company's chief engineer, flatly refused to call off his men. De Lesseps appealed to Napoleon III. Fortunately, the influence of the French at the Sublime Porte was, at that time, as powerful as that of the British. Caught between opposing forces of intrigue, the Sultan failed to follow up his edict to his Egyptian Viceroy, and the work went on.

The digging of the Suez Canal must be considered as one of the greatest engineering feats ever completed by mankind. Twice as long as the Panama Canal, hundreds of engineers and Europeans worked on the task, together with tens of thousands of Egyptians. For part of the distance the land was covered with salt marshes, which had to be dredged. The first undertaking was to dig a small canal from the Nile to supply the workers with fresh water.

Sandstorms, dangerous to man and covering everything in their wake, delayed progress, but the work of the canal crept steadily forward. It took three years to reach Lake Timsah, the first stage of its hundred-mile course. The mingling of the waters of the Mediterranean with those of this salt-water lake, however, proved to the world that de Lesseps' great conception was no fantasy,

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and that the work he had set out to perform might really be accomplished.

This did not, however, make the world any more cooperative. It seemed rather to rouse the forces of fear and jealousy to further efforts to frustrate the great Frenchman. Once more a firman from the Sublime Porte arrived, this time threatening war if the work was not stopped. The Sultan gave two reasons for his action. One was that too much Egyptian land had been alienated for the Company's benefit, and, secondly, that the supply of forced labor used for the excavation of the Canal deprived Egypt of the services of 60,000 persons who would be better employed elsewhere.

It is painful to read that forced labor was used for this great work, but in the Turkish Empire at that time it was the only kind of labor employed for any great undertaking.

This last effort of the Sultan to prevent the building of the Canal was all the more dangerous in that de Lesseps' great supporter, Mohammed Said, was now dead. His successor, Ismail, however, who was anxious to end the claims of the Sultan, and was, in consequence, to be known as Khedive instead of Viceroy, was a keen supporter of the Canal. Napoleon III, appealed to once again by de Lesseps, used all his influence with Turkey, and with such effect that the Sultan appointed him as an arbitrator to settle the matter.

Under his arbitration the Company gave up 150,000 acres of land and the use of its Egyptian labor but was paid a compensation of £3,000,000 by Ismail. Thus the work went on, all the more advantageously, owing to this infusion of money.

The Task Is Completed

Machinery took the place of the Egyptian laborer, and the Canal crept steadily forward year after year, the investors in the company patiently waiting for the day when they might see a return on their outlay. At last, in 1869 – ten years after the work had commenced – the waters of the Mediterranean and the Red Sea met, and de Lesseps' great task was done. He had overcome all the difficulties that nature and the power of governments had arrayed against him.

In November 1869, the French Imperial yacht, *Aigle,* with the beautiful Empress Eugenie on board, passed through the Canal from the Mediterranean to the Red Sea, amid the acclamations of the whole world. Ismail spent a half-million pounds on the opening celebrations. Verdi wrote his great opera *Aida* for the occasion.

The nations which for so long

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had laughed at de Lesseps' fantasy now made him honorable amends. Queen Victoria, as though to atone for the actions of her government, bestowed on him the Grand Cross of the Order of the Star of India; and when he visited England, he was made a Freeman of the City of London. A great fete was held in his honor at the Crystal Palace. De Lesseps, the greatest of all the great promoters of enterprise in the nineteenth century, who had done more for Egypt than any of her Pharaohs, now enjoyed the recognition he deserved.

How Britain Acquired Shares

Some years later, in 1875, there occurred an episode in the history of the Canal Company which must be recorded.

In the autumn of that year, the Khedive Ismail, who held the 176,669 shares inherited from Mohammed Said, and who was one of the most extravagant of men, was being pressed by creditors. He tried to borrow on the security of the shares. Being unable to do so, he offered them for sale in Paris.

The British Prime Minister, Benjamin Disraeli, made up his mind to purchase them for the British government. Parliament was not sitting at the time, and the Treasury would not advance money for such a purpose without its consent. Disraeli knew that delay might rob him of his opportunity. In this dilemma he bethought him of his co-religionists, Messrs. N. M. Rothschild & Sons. In them he found bankers willing to finance the deal until such time as Parliament had given its approval. In this way the British government obtained its interest in the Canal, the cutting of which it had done so much to oppose. The price paid by Disraeli for the Khedive's shares was £4,080,000. The American, Leland Hamilton Jenks, valued them before World War I at £40,000,000.

The Company, however, retained its private character, and the British government never obtained control of its management. The Company's capital is now divided into 800,000 shares, of which the British government holds 44 per cent and appoints a minority of directors. The remaining shares are in the hands of some 100,000 Frenchmen and a few citizens of other nations.

In 1882, after rebellions and riots in Egypt in which many European lives were lost, Great Britain, at the invitation of the Khedive, occupied Egypt for a period. This did not, however, affect in any way the private status of the Canal Company.

In 1888, at Constantinople, the Suez Canal Convention was signed by the leading maritime nations

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of the world. The first provision of this convention was as follows:

"The Suez Maritime Canal shall always be free, and open in times of war as in times of peace, to every vessel of commerce or of war, without distinction of flag. Consequently, the High Contracting Parties agree not in any way to interfere with the free use of the Canal, in times of war as in times of peace. The Canal never shall be subjected to the exercise of the right of blockade."

A Triumph of Private Enterprise

The opening of the Suez Canal restored the ancient significance of the Mediterranean as a highway of world commerce. Some 80,000,000 tons of merchandise (more than twice the figure for the Panama Canal) and some 500,000 passengers pass through it annually. It reduces the distance between Marseilles and Bombay by 5,800 miles. The Canal Company, by bringing fresh water to the Isthmus, has reclaimed thousands of acres from the desert, so that a new province of Egypt has emerged, supporting a population of 500,000 souls with a standard of well-being unequaled elsewhere in the Middle East.

The efficiency of the Company's service has never been questioned, and the depth and width of the Canal have been increased from time to time to keep pace with the growing tonnage of the ships which use it.

In 1956 the chairman of the International Chamber of Shipping vouched for the efficiency of the Company in the following words: "We wish to put on record our recognition of the far-sighted development and first-class administration which the Shipping, therefore the Trade, of the World has enjoyed through the efforts of the Suez Canal Company for the last 87 years."

This is the great property which, on November 17, 1968, subject to certain payments for equipment, would have reverted quite legally to the Egyptian government if it only had the patience and integrity to wait. Instead, on July 26, 1956, with the Company's lease still having twelve years to run, Colonel Nasser, by a forcible police action, had the heads of the Company's departments placed under house arrest while armed police compelled the Egyptian banks to hand over the Company's deposits. For the time being, its employees were forced to work under martial law.

In this manner the Suez Canal, that classic achievement of the age of free enterprise, became the prize of a State which did not even exist when the Canal was cut. A few months later, after an abor-

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tive attempt to recover this stolen property, the statue of Ferdinand de Lesseps, which dominated the marine entrance of Port Said, was hurled from its pedestal into the sea by an Egyptian mob.

* * *

POSTSCRIPT. During the last few weeks the shares of an unusual British company called the Channel Tunnel Company, formed 74 years ago, have suddenly risen on the market from 2/6 to 22/6. The sudden activity in this Company, which has lived on nothing but hope for so long, is caused by a report that its directors are in touch with a powerful French company concerning the building of the long-deferred Channel Tunnel.

And what is this powerful French company which is now considering what may well be the greatest engineering feat ever undertaken by man? Why, none other than our old friend, the "Compagnie *Universelle* du Canal Maritime de Suez."

When its property was confiscated by Colonel Nasser, this great company was not forced into liquidation, as might have been expected, for it had accumulated vast reserves which were fortunately deposited outside the reach of the Egyptian dictator. It is these funds which are now searching for investment in other enterprises compatible with the Company's original aim. The body of the great Ferdinand de Lesseps may have moldered into dust, his proud memorial at Port Said may be beneath the waters of the Mediterranean, but his fantastic and indomitable soul still marches on.

• • •

IDEAS ON LIBERTY

Rise and Progress of Revolution

HOW LITTLE DO MEN SEE, who promote insurrection or revolution, and hope to lead it, that they must soon sink under its force, and be among the first victims of the fury which they excite! However honest may be the views of its promoters, in the progress of insurrection or revolution, ignorant, violent, and wicked men will soon take the lead, and conduct an enraged people to any extremity.

ALEXANDER ADDISON, 1759-1807

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HE TRAIGHT INE

ROBERT LEFEVRE

MAN'S INNER CONVICTION must precede man's outward action.

As a rational being, man does not move without due cause. It is wholly false to presume that correct action can occur in advance of correct thinking. The currents of energy which drive each human being originate within him and move outward. These currents cannot be reversed.

It is important that this matter be understood. The actionists among us seem to fail of this understanding on occasion. They presume that without thought, without conviction, man can be directed by others. This can only seem to occur if the individual surrenders his own volition and trusts blindly in the absoluteness of a leader. It matters not whether that leader is a government representative, a union racketeer, or a church dignitary. To surrender one's own processes to the control of others is contrary to life itself and is, if we look closely, actually impossible. Life moves from the invisible, from whence we all sprang, into the visible. Cause must inevitably precede the effect.

Since, in this world of ours, we tend to concentrate upon effects, the importance of selecting the precisely correct method to arrive at the effect we want, is of paramount importance. The means to the end are, in a sense, the tools we must use to achieve. If we select the wrong tools – thus, the wrong means – the end cannot be what we envisage. No end can possibly be desirable if, to achieve it, we must use immoral and evil methods.

Strangely, almost mystically, man tends to become that upon which he concentrates. A man preoccupied with earning money, placing money as his immediate and all encompassing goal, is very apt to have a great deal of money. The reason more people do not have more money is simply because they do not concentrate upon this one thing. Instead, they permit themselves to be drawn away from that objective, thus scatter-

Mr. LeFevre, President of The Freedom School, Inc., also writes the editorial page for the Colorado Springs Gazette Telegraph *where this article first appeared, June 19, 1957.*

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ing their energies upon a thousand devious things. Their actual progress in a given direction is related directly to their ability to concentrate upon that direction. To achieve mightily, intense concentration is mandatory.

In discussing the nature of freedom and the problems which must inevitably come up when we think of a totally free society, we note the ever-ready willingness of persons to abandon freedom as a goal and to permit themselves to be sidetracked.

Most persons who believe in freedom, for example, will admit that a certain amount of defensive force is inherent in freedom. If there are persons in our midst – and who could deny it – who will not govern themselves, it follows that something or someone outside themselves must govern them. Control is essential, lest chaos ensue. The problem is to create a desire within the individual so that he will practice self-control. When he does so, there is no further necessity for worrying about him. If he is governing himself, there is no necessity for someone else to govern him.

But it is at this point that many otherwise good students of liberty turn aside. Instead of concentrating upon liberty, they strike off on a tangent, busying themselves with seeking to find ways and means of controlling others. And what they concentrate upon, they tend to become.

It might be said that this is mankind's basic trap. For, having acknowledged that defensive force is necessary, we must accept the corollary that it is necessary only when aggressive force is present.

If the amount of aggressive force in evidence at a given time is diminished, it follows that the necessary amount of defensive force would diminish in the same exact ratio. If more defensive force exists than aggression necessitates, then force, presumably defensive in character, becomes itself aggressive.

Thus, it will be seen by keen students of human nature that if we concentrate our energies upon providing adequate defensive force, we will in all probability exceed the requirement for such force. Instead, if we can concentrate upon freedom and upon attaining greater and greater self-control in ourselves, then the need for defensive force will diminish as the possibility of aggressive force being used diminishes.

In the end, we will be that which we concentrate upon. Shall we renew our concentration upon freedom? Or shall we succumb to the temptation to concentrate upon security, protectionism, and finally, force? • • •

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Elwood P. Smith, a young engineer with Boeing Airplane Company in Seattle, began seriously studying moral, economic, and political philosophy about a year and a half ago. This letter is evidence that he has "done his homework" remarkably well.

A Declaration of Independence

ELWOOD P. SMITH

Dan N. Hendricks, Jr., President
Seattle Professional Engineering Employees Association
3106 Arcade Building
Seattle 1, Washington

Dear Sir,

I wish to inform you that I am discontinuing my membership in SPEEA. In order that my reasons for this action are properly understood, I would like to explain the basis upon which this decision was reached.

I would first like to commend SPEEA for its "new look," its attitude of cooperation and good will toward management. In this light SPEEA reflects the type of organization to which I would like to belong, and which I believe could perform a valuable service to both management and the engineering profession.

My objection to SPEEA stems from an entirely different consideration, that of its being a protected organization under the Wagner Act, as modified by the Taft-Hartley Law. Under this legislation SPEEA is technically in fact a labor union, and granted certain powers by law in employer-employee relationships. As such, and I think you will agree with me, SPEEA is, by legal definition, a labor union, regardless of what high aspirations it may have in the way of professional status and recognition.

Recent study on my part has brought me to a re-evaluation of the moral and economic validity of the labor movement. An examination of the historical background of the labor movement is most enlightening in this respect.

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We are, of course, forced to look at history through the eyes of historians. This introduces a seemingly incalculable margin for possible error, the interpretation of historical events by the historian. Opinions involved in the relating of events must, of necessity, reflect the judgment and experience of the historical writer, which accounts for the divergent opinions we so often find as to the fact and the interpretation of history.

I believe that such historical interpretation of the events that gave birth to the labor movement is a case in point. The early Industrial Revolution era was a time of extreme hardship for the laboring man, when he was faced with notoriously poor working conditions, long hours, and low pay. Conditions of work were, by our present-day standards, intolerable. Such, I believe, is fact, contested by virtually no one.

One must be careful, however, in evaluating cause and effect. We are told, and it is the classical interpretation of our day, that these were arbitrary and unjust circumstances, capriciously visited upon mankind by unrestrained capitalists who submitted humanity to unbearable indignities in their power and greed for unearned profits. This is an oft-told story which, in one form or another, we have all heard many times. The justification for the rise in the labor movement is based upon this interpretation of events, and the continuation of the labor movement is similarly defended upon the proposition that, given the chance, economic power in the hands of the unscrupulous would again exploit the laborer and reduce him to the status of a mere pawn of the entrepreneur.

Looking Beneath the Surface

We must remember, however, that basic and fundamental causation for a given phenomenon often lies far below the surface. For example, it is very easy to conclude that the crash of the stock market caused the depression of the early thirties. We completely ignore the root of the problem, however, by failing to ask, "What caused the stock market to crash?"

To evaluate fully the circumstances in question, we must carefully consider the whole story. What were the conditions of employment and the relations of the laborer to society prior to the Industrial Revolution? What was the impact on the status of the laboring man of the readjustments in economic relationships caused by the Industrial Revolution? It is in this light that we find that the classical interpretations have grossly ignored so much relevant

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data as to completely distort the fact.

Rather than being a time of idyllic conditions of peace and good will, of happy economic circumstances in which the common man enjoyed a relatively stable and useful life, we find that the pre-industrial era was a time of infinitely worse conditions. There was virtually no place for the common man. Instead of widespread opportunities for gainful employment, there was a bare minimum of subsistence for most of the populace. Many were doomed to debtors' prisons, workhouses, or communal relief. Even under the relatively democratic freedoms of pre-industrial England, life was but slightly improved over that which existed under former autocratic and totalitarian despots.

A Tremendous Improvement

By contrast, the Industrial Revolution, with its poor working conditions, long hours, and low pay, was in fact a tremendous improvement in the worker's status over that which existed prior to that time. For the first time, the common man had a decent opportunity to pay his own way instead of living by the grace of charity, and to make a real and respectable contribution to the cause of humanity. It would seem to me wholly incongruous to condemn an era for having immensely improved the lot of the laboring man.

When we compare the working conditions of any past era to the conditions of today, we must consider the fact that before one can run, one must learn to walk, and before one can walk, one must learn to stand. In climbing a ladder from the very bottom, one must, of necessity, start with the bottom rung. To consider that the conditions of any past era were poor by today's standards as an indictment of the free enterprise system, is to ignore the fact that the productivity rate of the laboring man also started at the bottom. The capital investment per worker and his productive capacity in the year 1800 were only a mere fraction of the capital investment and the productive capabilities of the worker of today. We would be extremely foolish to think the laborer could have sustained himself with even the barest necessities of life as we think of them on an eight-hour day, five-day week with paid vacations and numerous other "fringe" benefits in the year 1800. It is patently impossible to withdraw from the economic cornucopia more than has been deposited therein. The low productivity level meant that the economic valuation of each worker's contribution was therefore low.

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It is undeniably true that fortunes were made during this period, and that the distribution of wealth was very uneven. We might assume from the popular interpretation of events that all capitalists and entrepreneurs were living in the lap of luxury, that all who ventured into capitalistic activity were rewarded grandly.

When we examine the total picture, we find contrarily that relatively few made the grade, that the overwhelming majority suffered mediocre success or total failure. And which ones did attain the most success? Those that survived that we might hear about them, those that supplied the public needs most effectively and efficiently, as determined by the overwhelming vote of confidence given them by the consumer in the market place.

Privileged Classes

To state that the producers became rich at the expense of the poor is again contravariant with fact. What was the distribution of wealth prior to the Industrial Revolution? It was virtually all in the hands of – not capitalists who were producers of economic goods – but in the hands of economically impotent purveyors who thrived solely by government favor. For the common man we find an almost total famine of wealth. The Industrial Revolution, instead of making the rich richer and the poor poorer, created an entirely new wealth that was distributed according to the voluntary exchanges evidenced in the operation of the market place. The new wealth went into the hands of those that produced it, in proportion to the degree in which each contributed to the production of that new wealth. The laborer now received something instead of nothing, and the distribution of wealth was solely based upon the market evaluation of each service rendered.

The market for this new production of the industrial era must, of necessity, be the mass market of the people. Mass production without mass consumption is a contradiction in terms. Mass production can be sustained only by the satisfaction of the needs of the mass market, which, in turn, can purchase only with the wages for the labor used in that production, and paid by the owners of the productive means. Thus, to say that the rich became rich at the expense of the poor becomes completely ambiguous and contradictory.

And the laborer has continued to earn an increased share of that wealth in proportion to his productivity. The necessary balance between production and consump-

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tion dictates that this must be so. Real wages must, of necessity, increase as the productivity increases, otherwise the market could not possibly absorb the gross output of that production. Conversely, it is impossible for real wages to increase faster than productivity because it is impossible to consume that which has not been produced.

Union membership has shifted purchasing power from one labor group to another; it cannot in toto increase the laborers' share of the wealth. Labor can derive an increased share of the wealth only with increased productivity. But, aside from psychological factors, this can be attained only by increased capital investment to provide more and better tools. We enjoy our high standard of living then, not because of labor unions, but because of our high productivity per worker, in spite of labor unions. Such are the economic facts of life, Karl Marx and Samuel Gompers notwithstanding.

With the Consumer's Consent

In regard to the fortunes that were made, we may assume that they were made honestly or dishonestly. If they were made honestly, it would mean that the consumer spent his dollar voluntarily and without coercion where he felt it benefited him most, and those who profited were those who best satisfied the consumer needs in the most efficient and economical manner then known. If we assume that the fortunes were made dishonestly, then coercion in the market place and a violation of individual rights must have taken place. Certainly the consumer would not have willingly parted with what little hard-earned money he had to feather the nests of the already rich without value received.

Let me make it understandably clear that I hold no brief for business management as a perfect example of pure free enterprise in action, who can commit no wrong. I have no doubt that many indiscretions of moral judgment did take place then and still continue to take place today. This is an indictment of persons, however, and not of a system based on economic law. Certainly we know that management has curried special favor from government at the expense of those nonfavored, and I would wholeheartedly agree that such favoritism certainly does not contribute to our national well-being. We must continually be aware, however, that under our capitalistic system, which is just a shorthanded way of saying the right of individuals to seek their place in society as determined by the free market value of their services

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rendered to society, we have benefited from a growth in living standards that is enjoyed nowhere else on earth.

The Rights of the Individual

To be free, one must be able to seek an honest determination of the value of his contribution to society. In order that each may do this, our government was conceived that the inalienable rights of man shall be protected from predation and trespass from others, who shall enjoy the same but no greater rights of protection. This, then, is the rightful position of government in our affairs, to maintain with all the vigilance it can command, the protection of these inalienable rights of the individual. When management or any other group seeks special favor of the exercise of government power for displacement of equal privilege, it is the duty of every individual to maintain with equal vigilance command of government to prevent such inequity of rights from taking place.

We cannot expect, in view of the vagaries of human nature, that all persons in our complex civilization will practice to an acceptable degree the precepts of Judeo-Christian ethics. It is for the purpose of protecting these ethical and moral concepts from predators without moral compunction that a moral society resorts to government. Certain powers of protection are delegated to lawful agencies so that the energies of mankind can be freed to concentrate on constructive pursuits.

When government extends its coercive power to the granting of favors, however, freedom must necessarily suffer. Governments can grant favor to one group only by equal denial of favor to another group. If it granted equal favor to all, how can it be considered a favor?

It is a matter of historical record that we have all too often sought short-range goals of economic advantage without considering the long-range effects of the policies pursued. Disruption of the market for short-range advantage of one group has invariably resulted in economic disadvantage in the long run as the market seeks to adjust to the artificial strain placed upon it.

We would both agree, I am sure, that management has no right to exert coercion in the market, something that it cannot do without trespassing upon the rights of individuals, something it cannot do lawfully without government favor to permit such trespass.

It is my firm conviction, however, that two wrongs never, under any circumstance, make a right. I must, therefore, deny that any in-

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dividual, or group of individuals, has the right to exert coercion on any other individual or group of individuals. Yet, this is precisely what our current labor legislation is designed to do, to grant government favor upon "organized" labor by permitting it to exert coercion upon the market for labor. This is as morally wrong as any other form of coercion.

From a purely economic standpoint, it is as futile as it is wrong. The standard of living, rather than being raised, is merely shifted from one pressure group to another; in aggregate it is actually lowered because of the waste in manpower, the loss of production, and overhead costs of supporting all of the economically unproductive machinery necessary to implement and control such coercive powers.

Does this mean that I deny the right of labor to organize? Certainly not. Labor has every right to organize by voluntary contract, but its justification for so doing and its entitlement to recognition should be based upon its ability to contribute to the economic good. The only proof of positive economic contribution can be by the voluntary acceptance of the market of value received. Where coercive power exists, it is impossible to determine to what degree acceptance is voluntary and to what degree it is forced.

It is in this light that I cannot further justify support of SPEEA. I cannot by free choice belong to an organization which derives its powers of existence under coercive law. To do so is to give tacit support and approval to laws that I consider morally wrong. Should SPEEA renounce all rights under these protective laws, disaffiliate with any similarly protected organization, and base its justification for existence upon free and voluntary acceptance of the value that it may be capable of contributing to both management and its members, I shall be most happy to rejoin and give SPEEA my full support. Under such voluntary association without protection of coercive law, it could not exist except that it should be capable of making a worth-while contribution to all parties concerned.

Yours very truly,
Elwood P. Smith

Cause and Effect

THINGS AND ACTIONS are what they are, and the consequences of them will be what they will be; why then should we desire to be deceived?

BISHOP JOSEPH BUTLER, *Fifteen Sermons*

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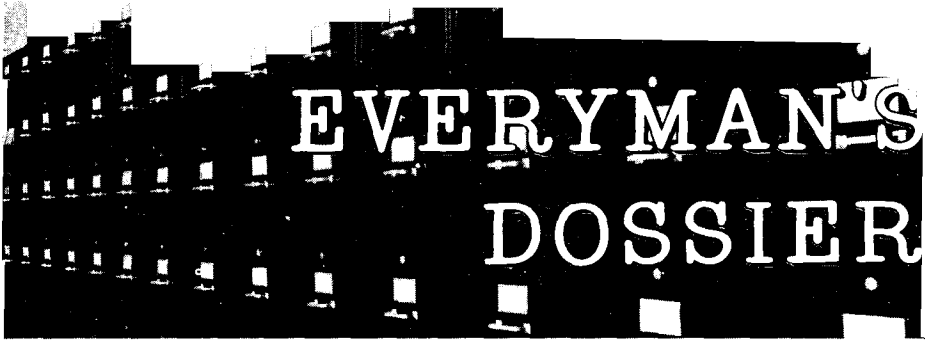

A. Devaney, Inc.

FREDERICK WALKER

"THIS," said Benjamin Disraeli in 1857, "I believe to be the age of statistical imposture." Unfortunately, mortality prevented the Victorian statesman from seeing 1957. It is significant that the growth of statistics and data has coincided with the steady, gradual expansion of the state and its powers. Today the life of the average citizen, Everyman, is carefully recorded in a multitudinous series of files and statistics ranging from Washington to his home precinct. In working and maintaining the processes which fill the dossier of Everyman, we emulate in our endeavors the destructive and all-embracing methods of Nazi Germany and Soviet Russia; but this emulation does not deter us from increasing as fast as possible the already swollen dossier. The invasion of privacy is an accepted procedure. Privacy, once the inalienable right of every American, is dead! Long live privacy.

Apparently there is little recognition of the possibility that the fat dossier of Everyman is an incontestable hold on him if there ever occurs an administration in Washington unscrupulous and determined to have power regardless of methods used. In troubled times there is always this possibility, and the late Huey Long remains a portent of what might happen. Precooked, prefabricated, processed in his file, Everyman is now at the mercy of any group of politicians who attain power without fanatical concern for their own integrity.

So far, the process has been relatively painless. After wrestling with his individual income tax return, Everyman – when his personal annoyance has passed – is apt to forget how many forms are accumulating in his dossier. The burden of the expanding dossier falls on his employer, the ever-growing groups of civil servants

Mr. Walker, public relations consultant and writer from Media, Pennsylvania, is experienced in the workings of governmental agencies and statistical and testing organizations.

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and governmental employees, the vast private agencies engaged in testing, measuring, recording, analyzing, developing the thoughts, wants, needs, intelligence, and status of Everyman.

Like creeping inflation, our dossiers, stuffed with facts and figures, envelop us as quietly as a fog in the night. Painless and smooth, this development so far has provoked hardly an audible protest. "Security" from womb to tomb neatly guaranteed by a welfare state leers on our horizon, but at the price of freedom and boldness, daring and initiative – the very factors which brought the American republic to its present position of eminence. It must be remembered that America once offered more freedom, hence more privacy, than ever existed before; and it is well to ask where this freedom is today.

Paper Civilizations

Our civilizations are increasingly *paper* civilizations. When British doctors recently wanted an increase in salaries, they threatened to refuse to fill out death certificates. The traditional method of the strike was ignored. Instead, the doctors chose a lethal weapon – refusal to add to the paper forms which are the very lifeblood of a modern state.

Once the average American citizen was covered by a most slender dossier. His citizenship was recorded as a voter. His church and fraternal memberships were listed. If he owned property, he possessed recorded deeds. If he had been in military service, he had a certificate of discharge. The forms were simple and necessary but not inclusive. It was generally assumed that a man's business and affairs were his own concern.

Look at today. From the time of his entry into the world until his departure, the life of Everyman is recorded on paper. Birth certificates; school records; draft records; Social Security numbers and recordings; income tax returns; psychological and physical examinations from school and job; property records; military service records; all organization memberships; F.B.I. records (25,000,000 Americans according to reports); driver's licenses and accident reports; state and municipal statistical records; fingerprints; passport applications; state and city income tax forms; often, police department records; innumerable questionnaires by organizations seeking to learn Everyman's needs, wants, opinions, and sex life; and finally the death certificate beyond which even the statistical madmen and Internal Revenue Collectors cannot go.

Paper, paper, everywhere! Em-

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ployers are forced by the federal government and some states and cities to act as tax collectors against their employees. Innumerable small taxes are devised by our politicians based on the present popular theory that true statesmanship consists only in constantly increasing the costs of our various governments. Each new tax means more paper. Candidates for high office rely on public opinion surveys to formulate their policies and platforms – paper reports on what is popular, not what is necessary.

Measurables and Immeasurables

Magazines test readership opinion for editorial guidance. Corporations test employees through every known examination. Our youth are classified and earmarked as so many animals of varying degrees of quality by the most elaborate series of tests ever devised by man. It is noteworthy to add that the formulators of these tests are fond of pointing out that some of the world's greatest geniuses and leaders would never have passed them. The results are all embalmed on paper. Advancement and promotion almost everywhere are based on paper symbols emphasizing education, length of service, personal habits, and attitudes, and discounting · entirely those qualities of boldness, daring, intelligence, and imagination through which expansion, development, and growth are possible. Such imponderable factors cannot be measured and filed on paper.

Commenting on our statistical madness as it applies to the religious life, *The Christian Century* had this to say: "Does the campaign have a statistical objective, as, for example, that of exceeding the largest number of converts announced at any previous Billy Graham meeting? Forty thousand would do it, since the London campaign got almost that many. (Where are they now?) Or perhaps it is intended to beat Billy Sunday's record of some 40 years ago in New York, which would take 100,000. (What difference did Sunday's 98,000 converts finally make in New York's civic life, in the ethics of Wall Street, or even in the vitality of her Protestant churches?) Statistics, even when they are totaling numbers of converts, admittedly constitute a very poor yardstick by which to measure spiritual gains. Then why are they used?"

Paper, it is well to remember, is a most delicate material. It is easily destroyed by fire, water, insects, transportation, age, or weather. Yet such is our faith in it that it is now our paramount symbol. Even our money, once based on gold (Who can remember

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our handsome gold pieces of exchange?) is now made of paper; and the result, increasingly evident every day, is not happy. Our present money constantly tends to depreciate in value.

Danger Ahead

Enough is enough! We have built our values on paper, and we get paper values in return. The human spirit can stand so much, and then it goes into reverse. There is evidence that such is occurring today. There is now a slowly developing awareness of the dangers of a paper civilization and its menace, for its ultimate end is the Welfare State, totalitarianism, the Marxian goal, nowhere better stated than by T. Coleman Andrews, former United States Collector of Internal Revenue, in his criticism of the Internal Revenue laws and policies. Mr. Andrews, from his inside knowledge of the income tax machinery, feels that "it flouts the constitutional right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures."

Continuing, Mr. Andrews held that the income tax law has "opened our homes, our papers, and our effects to the prying eyes of government agents and set the stage for searchers of our books and vaults, and for inquiries into our affairs, whenever the tax men might decide, even when there might not be any justification beyond mere cynical suspicion."

The rights of Everyman to his privacy and a life unmolested should be respected. This will mean far-reaching revisions in our present policies and *paper mania*. Yet it can and must be done if we are to escape tyranny and totalitarianism. The great imponderable qualities of nature which toss up men and women gifted with genius, courage, imagination, and vast ability must be recognized. These great qualities of the human spirit which result in our finest achievements and accomplishments cannot be measured by any known tests, fitted into any system of files, or placed on paper and controlled by rules and regulations. Return to Everyman his privacy and freedom, and the fruits of genius, uncurbed, will follow.

It was Meister Eckhart, one of the greatest mystics of the West, who said: "No one can strike his roots into eternity without being rid of the concept of number. The human spirit must go beyond all number – ideas must break past and away from ideas of quantity and then he will be broken into by God."* • • •

*From *Meister Eckhart* by Franz Pfeiffer, translated by C. deB. Evans. London: Watkins, 1924.

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TODAY'S SCHOOL

"To many Americans, education is one of the religions they really believe in. It has its orthodoxy, its pontiffs, its noble buildings. Education is the Established Church of the United States."

THERE IS MUCH TRUTH in this observation by the late British educator, Sir Michael Sadler. We Americans do have almost a religious faith in education. We want the highest quality instruction and the best possible educational opportunities for our youngsters. We recognize that the well-being of individuals and of our nation depends upon true knowledge and a thorough understanding of basic principles which can be gained only through sound education.

There is increasing evidence, however, that too much attention is being paid to the external form of education, its pontiffs, and its buildings, while not enough is spent on fundamentals, truth and understanding. Consider, for example, this recent comment by a banker before a gathering of school officials:

> I don't blame a school teacher for having socialistic tendencies today. If I were a teacher getting paid so little that I could not afford a car or couldn't afford to get married, I'd criticize the private enterprise system.

Apparently this banker failed to realize that the great majority of our teachers are not part of a private enterprise system. Rather, their jobs and salaries are a consequence of government control which tends, more and more, to drive private enterprise from the educational field.

The Beginnings of Government Schools

Since the earliest years of this country's development, government has played an important role in educational matters. In 1642 Massachusetts enacted a law requiring "that the selectmen of every town . . . teach by themselves or others, their children and apprentices so much learning, as may enable

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Miss Bien is a member of the staff of the Foundation for Economic Education.

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PROBLEM

BETTINA BIEN

them perfectly to read the English tongue, and knowledge of the capital laws . . . also, that all masters of families, do, once a week at least, catechise their children and servants, in the grounds and principles of religion."

Before long, the citizens in many Massachusetts communities set up town schools, financed by tax funds. Reading the Bible and learning to interpret it according to their particular religious orthodoxy was an important part of a child's training. The State, during this period, was actually the servant of the Church. There was little controversy as to the subjects and moral philosophy to be taught. All taxpayers and parents in a town were members of the same church, and the school teacher was usually the minister. For all practical purposes, these early government schools were religious schools.

As the colonies grew, the original settlers were joined by others with varied beliefs and backgrounds. They soon began to realize that if people, holding so many different ideas, were to live together without conflict, they would have to tolerate each other's faith. As a result, the idea gradually gained acceptance that taxpayers should not be compelled to support religious instruction with which they did not agree. The close connection between these government schools and the various churches was slowly severed, and thus there developed in this country the truly liberal idea of separating Church from State.

Education was given national recognition in the Ordinance of 1787. Drawn up to govern the Northwest Territory, including roughly the present states of Ohio, Indiana, Illinois, Michigan, and Wisconsin, this document stated:

> Religion, morality, and knowledge being necessary to good government and the happiness of mankind, schools and the means of education shall forever be encouraged.

Here is proof that our ancestors had "faith" in education. This sentence must have meant no more than that, in view of the ideas prevailing in this country at the time. Yet, it has been cited specifically time and again in recent years as a precedent justifying government-

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supported schools and even federal subsidies to local schools.

Early State Aid

Early in the nineteenth century, a number of persons interested in expanding and improving educational opportunities started working actively, through their governments, for "free," "common," or "public" schools. They believed that no child should be denied the chance of attending school, even if his parents could not, or would not, assume the responsibility. The strongest movements in this direction started in New York and Massachusetts. In contrast to the early colonial schools which had been supported and managed entirely by local citizens, the trend at this time was toward state direction and control. As early as 1795, New York appropriated funds to help pay the costs of local government schools, and in 1835 Massachusetts followed suit.

In 1852, largely at the instigation of Horace Mann, for many years Secretary of the Massachusetts State Board of Education and Editor of *The Common School Journal*, Massachusetts enacted the first state compulsory school attendance law. That legislation required all children between the ages of eight and fourteen to attend school for twelve weeks each year. By 1918 all other states had followed suit with some form of compulsory school attendance legislation.

The 1850's also marked the beginning of active federal interest in the field of education. Congressmen, having "faith" in education, hoped to use some of the vast federal holdings of land to encourage the development of colleges and universities in the various states. They passed a bill in 1859 to provide for "land grant colleges" but President Buchanan considered it unconstitutional and he vetoed it, stating:

> Should the time ever arrive when the State governments shall look to the Federal Treasury for the means of supporting themselves and maintaining their systems of education and internal policy, the character of both Governments will be greatly deteriorated. The representatives of the States and of the people, feeling a more immediate interest in obtaining money to lighten the burdens of their constituents than for the promotion of the more distant objects intrusted to the Federal Government, will naturally incline to obtain means from the Federal Government for State purposes.

During the Civil War, the United States' Congress once more passed the bill calling for land grant colleges, this time with a new clause inserted, requiring that the proposed colleges furnish training in "military tactics." President Lin-

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coln signed the bill, thus introducing the federal government into every state school system.

Government Funds Mean Control

When citizens turn to any government for financial support, they must always remember that with such "aid" come "strings." The spenders of government appropriations may willingly accept the stipulated conditions. But, should conflicts arise, they are forcefully reminded of the "strings."

One of the basic principles of our government, as it has evolved through the years, is the separation of Church and State. Once this idea was generally understood, there was little controversy about it. People realized they could lose their freedom of worship and the right to choose their own religion if the churches were dependent on government. However, in the earnest desire to further one of our "religions" – that of education – this sound logic was forgotten.

The early state governments of New York and Massachusetts distributed funds only to localities where the schools and teachers satisfied certain requirements. In New York State recently, the government schools of the City of Yonkers were threatened with the denial of state assistance because, in the eyes of state officials, the city's school budget was "inadequate." Last year, the school officials of New York City learned that their practice of excusing students from compulsory attendance during the week after the State Regents examinations conflicted with the state order that "attendance up to the last day of school was always required for state aid purposes."

New Jersey state officials ordered the City of Englewood to redraw its school district boundaries last year, before the start of the fall term, "to end discrimination against Negro children." The president of the University of Massachusetts has complained of "undue state interference with faculty policy." Textbooks paid for by state appropriations for use in the government schools of California are selected by the State Board of Education and must be printed at the State Printing Office. Because Utah state law requires instruction in the "harmful use" of tobacco, liquor, and narcotics, a local school board has adopted a policy "against hiring anyone who uses them." As a consequence, that school board recently fired a school painter because he smoked – at home.

Teachers and other professional educators are specialists, many of whom believe that only they are competent to make decisions in their field. As a result, they are

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apt to resent restrictions on their spending of the money allotted to the schools. Government legislators, on the other hand, must attach "strings" to control the funds they offer in order to fulfill their obligations to their constituents and the taxpayers whose money they are spending. As representatives of the people, they are not free to use tax collections indiscriminately. Nor are they free to permit anyone else to use them indiscriminately, if they can possibly prevent it. Government controls and government money, therefore, always go together.

Dependence on Government Produces Political Pressure

If a private businessman is deluged with requests for his product, this is a sign that consumers want more at the price he charges. His increased sales make it possible for him to get the funds to expand his operations. Government school administrators, however, must operate in a different way. They are not in a position to try to please their "customers" directly, through their own efforts, by expanding their services or enlarging the school facilities. Increased demand for their "production" does not necessarily have any relation to their ability to raise funds and increase production. They must depend entirely on voters, lawmakers, tax collectors, and finally, the government officials delegated to hand out the funds.

Since the beginning of government schools, the most ambitious and hardest-working teachers have realized that more money would help them do a better job in many ways. Therefore, the school teachers organized in order to strengthen their plea for a larger share of tax collections. Vote-conscious legislators have generally found it difficult to resist the claims of professional educators that more money was needed for the government schools.

Largely as a result of such political pressure, President Eisenhower called a White House Conference on Education in 1955. Perhaps the most important accomplishment of that million-dollar conference, from the point of view of the professional educators, was the publicity it gave to pleas for higher taxes and greater public interest. When Dr. Samuel Brownell was Director of the United States Office of Education, he admitted that "it is part of our job to try to wake up the people." This was the major role of the White House Conference on Education. Called in response to political pressure, the reports which followed are being used as grounds for further pressure on politicians.

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The "Problem"

The taxpayers who foot the bill for the government schools are finding it more and more difficult to support them in the manner to which they have become accustomed. Lobbying by teachers and other professional educators for ever-increasing funds leads inevitably to higher and higher taxes. Few taxpayers would begrudge additional funds to the schools if they really thought the result would be "better" educational opportunities, but they do not necessarily agree with those who will be spending the money as to what is "better."

Educators, also, are becoming increasingly disturbed about many aspects of the government school system. They resent restrictions on their spending of the funds provided for the schools. They want more freedom in the determination of textbooks, educational techniques, curricula, and teacher qualifications. Many feel their salaries are too low. They recognize the impossibility of educating all children "equally" and resent justifiably the tremendous disciplinary problem this attempt involves.

In recent years, parents, also, have been showing more and more concern over the mounting costs and other aspects of the government school problem. They criticize the quality of the instruction, its apparent inattention to facts, discipline, drill work, and basic principles. They have questioned the tendency to outlaw religious and moral teaching from government schools. The current conflict raging over racial integration is merely one more inevitable controversy created by the use of public funds in the field of education.

Parents cannot escape responsibility for the education of their children. They may hire teachers to help them but they cannot, in the last analysis, avoid their personal responsibility. Taxpayers have the right, and the obligation, to intervene in the operations of the government school system, for which they are paying, in order to make sure government requirements are satisfied. Legislators, also, have a duty to try to prevent the misuse of their constituents' tax money, so they must stipulate the conditions under which it shall be spent. Specialists in education, teachers, and administrators believe that they, too, are entitled to some voice as to the spending of money appropriated for the government schools.

Surface Remedies Sought

Because of the many conflicts of interest among all those concerned – politicians, school administrators, teachers, taxpayers, parents,

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and pupils – it is not surprising that serious complaints have been raised. In spite of the widespread concern, however, most persons seek solutions in surface remedies. Few, as yet, are willing to question the whole idea of government education itself.

Sir Michael Sadler showed keen insight when he spoke of education as "the Established Church of the United States." This particular religion, however, was singled out for special treatment, with the result that freedom of choice in schools has been almost entirely eliminated. Government education now enjoys practically the status of a state religion.

Government became involved with the schools in this country early in their history. Their fate became linked with government in earnest with the provision of state funds to foster government schools locally. The next logical step was enactment of the first state compulsory attendance law in 1852. Ever since then, the influence of government in education has proceeded logically, relentlessly, and inexorably, by means of one intervention after another, toward the creation of today's school "problem."

The price the school officials have paid for seeking government support and accepting public money has been increased subservience to supervision. Parents, also, have paid dearly. Reliance on government to "educate" their youngsters has meant relinquishing their freedom of choice and control of their personal spending in this field. Thus, they have hampered their own ability to fulfill their obligation to "educate" their children, without relieving themselves of that responsibility.

The laws creating and regulating government schools have interfered directly with private and individual efforts to furnish educational opportunities. The use of force is incompatible with the cause of true knowledge. Consequently, its introduction into the field of education has led increasingly to problems; and there is no reason to believe that their solution lies in introducing still further force by passing still more laws.

The Solution

The only solution to problems created by government intervention with the market is to repeal the legislation involved, remove the restraints erected, eliminate the special privileges created, and enforce the principle of justice and equality before the law. Only by removal of the intervention itself can the problems it created be remedied.

One specific step toward a solution of today's government school

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"problem" would be repeal of the state compulsory attendance requirements. Many of the trouble-makers responsible for the greatest share of the teachers' disciplinary problems would be glad to leave school for jobs where they could begin to feel useful to themselves and to the world. The "shortages" of teachers and of classrooms would largely disappear. Once more, the responsibility for a child's education and discipline would be recognized as belonging to the parents. A school graduation would again become an accomplishment in which both parents and children could take pride.

Resistance to Change

Repeal of the compulsory school attendance requirements would undoubtedly meet strong resistance. The belief is widespread that these laws are both desirable and necessary. Members of the educational hierarchy enjoy the prestige that comes with large student enrollments and tremendous appropriations. Many workers in industry are convinced that their own high wages are a result of the laws that compel school attendance and forbid children from working. They fail to see that these gains in wage rates have been purchased only at the expense of total real wages and of potentially higher production and better living standards for everyone.

The people in this country have become the world's greatest producers and consumers of wheat, corn, coal, automobiles, dresses, lipsticks, medicine, hospital beds, and almost anything else you might name. Their experience has shown that the way to get more of the things that people want most, is to leave production and distribution to the free market. That is the path to the greatest possible amount of wealth and satisfaction. Government, on the other hand, has proved to be a notoriously inefficient producer. Certainly the truth of this has been borne out in the field of education.

Experience with our government school system has raised serious doubts as to the suitability of force to serve the cause of true education. Therefore, why not consider removing government restraints on individual initiative in that field? If the most effective way to get the most and the best of anything and everything is to leave its production in the hands of private individuals in a free market, why not try leaving the solution of today's school "problem" to the market? Why not a free market for education? • • •

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An important function of education is to orient man's search for happiness in terms of...

THE MORAL LAW

RALPH W. HUSTED

You have heard it said many times during your four years in high school that education is essential to freedom. Perhaps you have heard it said more often in another way – that education is essential to democracy. I prefer the first way of saying it, but more about that later.

The connection between freedom and education has as much significance for you as anything else in life. Some of you aspire to be scientists, some engineers, some businessmen, teachers, writers, machinists, or maybe housewives. Whatever the field of your interest, you have visions of becoming well-known and respected for the quality of your work. All of the callings I have mentioned are noble endeavors, and some of you will gain the renown you seek. But sooner or later you will discover, if indeed you have not already, that it takes something more than renown to make people happy. You will find that proficiency in your work, the plaudits of your fellow men, and material evidence of success will not satisfy a need for intellectual well-being.

It is in the very nature of men to want to understand their relationship with the rest of the universe. Stated in another way, all of us are searching for an understanding of God's moral law, whether we realize it or not. I believe that in the great laboratory of history, man has proved to himself many times that there is a moral law to which, in the long run, he must be responsive. I believe that from the time we acknowledge the fact that it is the moral law of God we are searching for – that regardless of what our life's work may be, the end of our achievements is to know and understand that law – we then really begin to live. It is then that our work begins to afford us the lasting satisfaction and peace of mind which we must have. It is then that we begin to face our respon-

Mr. Husted, a businessman from Indianapolis, first offered these remarks to the 1957 graduating class of Thomas Carr Howe High School.

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sibilities, as they should be faced, with a greater regard for the consequences of everything we do and say.

I believe that the thing which has made our country the greatest on earth is the fact that here, more than anywhere else, people have been free to seek an understanding of the moral law in their own way, and to reap the material benefits of such freedom through the operation of a free economy, the only economic system known to man which will not eventually destroy his freedom.

Freedom Is Individual

What do we mean by freedom? We speak of free nations. We think of our country as a free country, of our people as a free people, but remember this: There is no freedom separate and apart from the individuals who comprise our nation, our society. We cannot have a free nation unless our people have individual freedom. It is individual liberty – the liberty of individuals to make choices for themselves – that we must have, and there is no substitute for it. No group, no society, no government was ever formed which could do for men what they have been able to do for themselves as free individuals. The reason for this is quite fundamental. No two of us are alike. We do not act alike. We do not think alike. Similarly, yes, but never alike. We are individual creations. The intellectual experiences which will lead to your ultimate understanding of God's law are experiences no other human being has ever had or ever will have. Unless you can make the search in your own way through your own freedom of choice, you cannot hope to attain the sense of well-being which I mentioned.

Men have tried countless times to substitute the will of some group for freedom of the individual to pursue his own intellectual well-being. Probably the greatest effort of that kind in all of history is going on in Russia today where the religion of communism is being forced upon people. But it will fail, because it is contrary to human nature. No one can be forced to accept an idea. He may be subjected to any number of persuasive measures, but the final act of thinking is his alone; and just what he finally thinks, no one but he will ever know.

Freedom vs. Democracy

As to the point I mentioned earlier, we hear in educational circles these days a great deal about education for democracy. I think we should drop that expression in favor of education for freedom. Freedom and democracy are not synonymous although I think they

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are many times used thoughtlessly to mean the same thing. Democracy can be, and at times in history it has been, an instrument of tyranny. The word democracy is used in many places in the world today by many people who have no regard whatsoever for individual liberty. I do not mean to say that we should drop the use of the word altogether, for democracy, as we know it, is the only method of government acceptable to free men. But it should be understood that we are educating people to appreciate freedom and not merely to understand a method by which free men express themselves.

There are many people in the world today who deny that there are any eternal truths; who contend that the only value of a principle is in its practical application at the moment; that what is true today will not necessarily be true tomorrow. Obviously I cannot agree with them, but I will not argue the matter here. I will simply say that this country was not founded on such beliefs, nor can it long endure if we fall into the error of such beliefs or compromise with them.

To say that we believe in the existence of a moral law, in the existence of eternal truths, is not to claim that our understanding of them is perfect. We do not know as much today as we hope to know tomorrow. No mortal has ever fully understood the moral law. That understanding is the work of a lifetime and more. It is the work of generations, but I am convinced that the search for it affords men a really satisfying purpose in life, and that faith in the existence of God's eternal truths gives men the courage to stand up for what they believe even if they stand alone.

Education and the Moral Law

So long as we are free to choose between right and wrong as we see it now, we will grow in wisdom for tomorrow. How fast we grow in wisdom will depend directly on how much freedom of choice is left to us. In recent years many infringements of that freedom have crept into our laws and customs. You must learn to recognize them before it is too late.

Now I have said very little about education. On the other hand, I have implied a great deal.

I believe that genuine education is intellectual training based on a belief in the existence of eternal truths. I believe that genuine education must recognize the ultimate need of every man to know the moral law and his need to discover it in his own way. In grade school and high school young people are given the basic tools with which to continue a search for God's truth. That search is not the work

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of a single lifetime, but of generations. Every generation of men receives through the process of education the culture of its forefathers. Through the process of education, it transmits that culture to its children, but with something added – something reflecting a little greater knowledge of the moral law. It is only when succeeding generations cease to contribute something of lasting value to their cultural heritage that civilization dies, and it is only when men lose their individual liberty – liberty to choose for themselves – that they cease to make such contributions. • • •

IDEAS ON LIBERTY

The Dignity of Man

LIFE GLOWS WITH INFINITE POSSIBILITIES. Open to everyone are gates of enterprise, courage, helpfulness, sacrifice, trusteeship, and achievement.

Men of vision see something saner and better than the humdrum life of the vast majority of people. Mentally and spiritually well-developed men and women are rare because so few give thought to the higher aspects of life. Mediocrity is the fate of millions who could, if they realized it, rise to heights of personal attainment.

The world teems with unintelligent effort. Compassless men race here and there in the mad pursuit of money or other supposed advantage, with no realization of what the consequences will be. Their unavailing efforts could be dismissed as simply pitiful were it not that they are sacrificing the eternal spiritual for the temporary material.

The vision of high ideals is possible to every man who has the sincere desire to look beyond present conditions, however disquieting, to the finer possibilities beckoning him ever onward and upward.

GRENVILLE KLEISER

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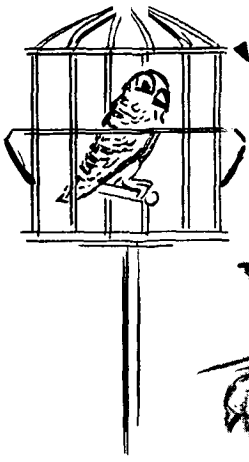

"THE SLEEPING CAT"

EDWARD W. GREENFIELD

I SUPPOSE that ministers are no different from other people in having particular hobbies they like to ride. I have far-ranging interests. Many things fascinate me; but one area of thought and concern is a consuming passion. It is a theme upon which there can be considerable controversy, and yet controversy itself assumes and supports it, for the theme is freedom – for the individual. In this I am completely and unblushingly American and Christian. In our American and Christian heritage of independence, individuality, freedom of conscience, freedom of enterprise, and personal responsibility before God, we have a tradition of such priceless value that I will fight for it with all the persuasion at my command.

It is precisely because of this profound belief in freedom that I am so worried about what is happening to it. And I am not talking about communism or fascism; the communist and fascist assaults are relatively obvious and out in the open. I am talking about something far more subtle and insidious, something that even parades under the fair names of freedom and faith – a creeping, paralyzing mood and philosophy of our own making which play directly into the hands of the totalitarians and apostles of collectivism. We think of Americans as the chief of the freedom-loving peoples, and, in addressing ourselves to the subject, I know that we are talking about something that is dear to the hearts of all of us. But if we really believe in freedom, we are going to have to grant each other some rights – my right to say some things you may not like, and

The Reverend Mr. Greenfield is Minister of the First Presbyterian Church, Princeton, Indiana, where this sermon was delivered May 19, 1957.

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your right to disagree if you wish. And if you go away mad, please don't direct your anger at me. I am merely telling you what we face, and it is time we be alert to it.

Different Approaches

I am encouraged by the fact that more and more books and articles are being written on the subject, trying to alert us. Because much of what I shall say is derived from them, let me name some of them and urge your own study. One is a book that has been stirring considerable comment for several years, *The Lonely Crowd* by David Reisman, a sociologist. Another is *Changing Values in College* by Philip Jacob, a professor of political science. There are two by a psychologist, Robert Lindner, whose books, *Prescription for Rebellion* and *Must You Conform?*, are as provocative as their titles. And then the latest and one of the most discussed is *The Organization Man* by William Whyte, assistant managing editor of *Fortune* magazine. I owe some insights, also, to an article in *The Christian Century* by William Kirkland, professor of Applied Christianity at McCormick, the Presbyterian seminary in Chicago. And so you see, this topic is being approached from several different angles. When sociologist, psychologist, political scientist, business executive, and clergyman all reach much the same conclusions, each from his own perspective, you may be sure there is something behind it.

What they all agree upon is that a fundamental and far-reaching change, amounting to a virtual revolution, is taking place in the character of the American people. The change is going on all around us, and perhaps in our own lives, far more than we are aware. Indeed, it is our lack of awareness and its initial innocence that make the creeping change so dangerous, like a sleeping cat. When I speak of a sleeping cat, I am thinking of the pets we have in our own home, which, in addition to four children, include a dog, a baby pigeon, two parakeets, and a beautiful, black Persian which we brought up from helpless kittenhood. The Persian has always had his eye on the birds, but has been so scrupulously kept away from them that we were confident he had learned to leave them alone. And then one day not long ago, out of a languorous, innocent-looking sleep, he suddenly and viciously uncoiled to pounce upon one of the parakeets. The bird was finished before we were even aware of how it had happened.

As yet, the change is still in its kitten stage. While its pedigree

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doubtlessly runs farther back, it is only since World War II that its growth has been obvious enough to be clearly recognized. The creed and driving motive behind it are what Dr. Lindner calls "the Eleventh Commandment" – "You must adjust!" William Whyte calls it a new "Social Ethic." David Reisman speaks of it in terms of "the other-directed man." In essence it is a group-oriented, adjustment-seeking, harmony-obsessed, conformist type of character which is slowly and subtly leading us into a herd-mindedness such as America has never seen before. We are traveling, either unwittingly or by unthinking consent, the same road that Nazi Germany and Communist Russia took by conviction and force. We are headed toward the mindless, collectivist rule of Mass Man, the enshrinement of mediocrity, the apocalypse of the average.

The Labor Movement

We see it most clearly, perhaps, in the labor movement in which millions of workers have been organized – originally for the purpose of securing legitimate rights from the exploitations of management. But with the labor movement firmly established, fully protected by law, and becoming second only to the churches in number of members, the driving motive of organized labor seems no longer to be the securing of rights but the grabbing of power! And the power is not in the hands of the rank-and-file working man but of the labor bosses who are using the workers as their tools. I think it a pity, as salutary as it may be, that the Senate Investigating Committee is focussing so much attention upon only a handful of such bosses, for it takes the heat and the spotlight off hundreds of others who in their power-hunger and exploitation of workers are almost as bad.

Listen to the testimony (THE FREEMAN, May 1957) of a man in Portland, Oregon, for forty years a union member, and for the past eleven years a member of the Carpenters' and Joiners' Union. He answers the claim often made, especially by labor leaders, that unions are democratic, that all issues are determined by membership votes.

"Often," this man says, "it appears that they are. But what the union bosses don't tell you is that their rehearsed stooges, strategically placed near microphones in the huge meeting hall, give lip-service favoring the union's proposals. The weak-kneed, the intimidated, and the habitually reticent, awed by the flags, the ornate trappings, and the huge crowds – although frequently opposed to the

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proposal at hand – remain discreetly silent. The more brazen and articulate members are ruled out of order by the chairman, with little or no provocation other than their obvious disapproval of the matter before them. Most carpenters, like most workingmen, are honest, hard-working, conscientious fellows who, though far from being intellectual giants, can read not only blueprints but also between the lines, especially on issues concerning their own welfare. But to speak before a crowd of several thousand men – that is something else again.... So time and again they sit back in silence while stooges promote the proposition favored by the bosses."

The picture is all too typical. We have millions of inarticulate people massed together as the willing or unwilling tools of a few power-hungry men, afraid to protest the strangle hold if they want to, and, with the exception of the few states where there are right-to-work laws, even prevented by law from getting out except at the price of their jobs. It sounds painfully like a sentence from Scripture: "All we like sheep are being led...." In a striking phrase from William Whyte, they are "imprisoned by brotherhood" – not a brotherhood of loving their fellow man, but of fear lest their fellows should hate and hurt them!

"Imprisoned by Brotherhood"

I said that this collectivizing trend is most clearly apparent in organized labor; and yet, interestingly enough, it is not to labor that Mr. Whyte applies his phrase, "imprisoned by brotherhood." In his book, *The Organization Man,* he is talking mostly about white-collar workers, the junior executives, the people in law offices, research laboratories, industrial management suites, and even church organizations. For here, while he publicly gives lip-service to the "Protestant ethic" of individual salvation by work, thrift, competition, and merit – as this ethic was understood and applied by earlier generations of Americans – the organization man is actually living a pressured, corporate life, somewhat more refined and benevolent, but fully as regimented as that of the union man. A high premium is put upon being sociable, agreeable, cooperative, contributing to the harmony of the group. He belongs to the right club and the right church; he drinks the right brands of bottled and bonded "distinction"; he associates with the right people; he is conservative and moderate in his politics, his tastes, and his habits. His uniform is the gray flannel suit. He is expected to qualify for his position by being the very model of intelligent, sociable

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moderation as measured by standardized personality tests. If he were to work, for instance, for one company which Mr. Whyte mentions, he would have to refrain from letting it be known that he has keen artistic and cultural interests because, according to that company's organizational pattern, "there is evidence that such interests are detrimental to success." His life in the organization is a kind of latter-day monasticism in which he takes "vows" for life, and is surrounded by other organization men upon whom he is dependent for his sense of well-being, his prestige, and his future.

A Social Ethic

Now, there always have been organizations, and organization is necessary in order to get things done; but what is appearing today is what Mr. Whyte calls a "social ethic" that is a kind of unwritten but binding creed by which the individual's life is run. It even has a litany which is recommended memory work for anyone who wants to fit in with the organization pattern:

> I loved my father and my mother, but my father a little bit more.
> I like things pretty much the way they are.
> I never worry much about anything.
> I don't care for books or music much.
> I love my wife and children.
> I don't let them get in the way of company work!

It is part and parcel of another litany that says: "Be loyal to the company and the company will be loyal to you. . . . There are a bunch of real people around here . . . and they don't want a man to fret and stew about his work. . . . A man who gets ulcers probably shouldn't be in business anyway." It is a creed and ritual that is rapidly replacing the traditional American ideal of independence, freedom of conscience, and individual initiative.

It is based, for one thing, on the belief that the source of all creative achievement is not the individual but the group. Creative work and major undertakings are done by committees, by discussion around a table, somewhat after the idea of the old ditty:

> The more we get together,
> together, together,
> The more we get together,
> The happier we will be!

The individual no longer counts; his mind must fit in with the group mind, like a cog in the nicely balanced working of a watch. While he should be bright, he must not be so bright as to outshine the others; while he should be origi-

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nal, he must not be so disturbingly original that he draws attention to himself or subjects the others to shock. If by chance he should be a genius, he must be careful not to show it.

And then, for another thing, this new "social ethic" of organized living and working justifies itself by the belief that the most important need of man is *belongingness*. Man needs to feel "at home" with his fellow man in a group solidarity. Conflict between the individual and group is evil, and any individual who fails to adjust to, or cooperate with, the group is a misfit, no matter how great his ability. What is sought is "an environment in which everyone is tightly knit into a belongingness with one another, one in which there is no restless wandering about but rather the deep emotional security that comes from total integration with the group." The watchword is "being part of the team," and to achieve it is what is called "human relations." At all costs, and by all means, especially psychology and "social engineering," the individual must be adjusted to and submerged in the organization. The individual is so blended into the group that his thought and action become a reflection and echo of the group. He is to become the homogenized man!

And the process of training for such harmonious organizational life begins in school, initially on the elementary level and reaching its triumph in college, where adjustment to the group is more highly valued than personal achievement. Thus it is that Professor Jacob's study of *Changing Values in College* revealed some rather startling and disturbing things. Young people, he finds, are no longer driven by personal ambition; they are "gloriously contented" with things as they are, and they accept the "conventions of the contemporary business society as the context within which they will realize their personal desires." Their desire is no longer to get rich or to excel, but simply to be comfortable. "No life in the ulcer belt for me," writes one young man; and another says, "Why struggle on my own when I can enjoy the big psychological income of being a member of a big outfit?" American youth no longer looks for frontiers to push back; it seeks, instead, to swim along in the wake of a prosperous profession or corporation. And the girls want husbands who are "ambitious but not dangerously so."

No Religious Guide

Religion plays a vaguely defined part in the thinking of the youth preparing to adjust to corporate life, but, according to Professor

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Jacob's findings, they do not expect this religion to guide and govern decisions in the secular and working world; such decisions are to be "socially determined." In other words, as David Reisman characterizes them, they are "other-directed." Not God or religious principles but the opinions of others are their guide to conduct. In the new era of "other-directedness" into which we are moving, an individual puts out feelers, as it were – a kind of social radar – with which he is able to pick up the signals from other people as to what they think and feel, and adjust accordingly. He doesn't express strong differences of opinion; he is better off if he has no strong opinions; he is a "yes" man, a conformist, following the crowd, doing what he does because "everybody does it."

Well, we could go on and on. If we had time, we could add to this picture the pathetic herd-mindedness of the teen-ager whose most powerful compulsion is the approval of the group or gang, and whose deepest agony is to be out of step with, and socially unacceptable to, his fellow teen-agers. We could talk about the mass-produced culture being purveyed by our marvelously efficient media of mass communication – television, radio, newspapers, and popular magazines – whose appeal is not to standards of excellence but the lowest common denominator, whose level is cultural mediocrity. We could talk about the disturbing and challenging phenomenon of mushrooming big-city suburbs, which one writer calls "a vast communistic female barracks," and which Mr. Whyte rather acidly calls "packaged villages which have become dormitories" of the organization man.

Perhaps all this is somewhat exaggerated, but if it is true to any degree at all, it is important to examine it critically from the point of view of our American and Christian heritage and decide which it is we want.

The Christian Ideal

We have to recognize at once, with William Kirkland, that criticizing this new and subtle collectivism from a Christian point of view is tricky. At first glance it seems to be exactly what Christianity, under the influence of what was called "the Social Gospel," has been preaching for at least the past forty or fifty years, and whose roots may be found in the very beginnings of the Christian movement. The idea of community, with its emphasis upon cooperation, fellowship, togetherness, and belongingness, is an ancient and honorable Christian ideal. Christianity has always been opposed to selfish

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self-centeredness, to the ruthless individualist who has no concern for the rights and feelings of others, and to the glory-grabber and the arrogant. Christianity has always made high virtue of humility, obedience, and self-sacrificing willingness to serve. At the foundation of Christianity is the ideal of love which has always included "togetherness" with fulfillment of the desire to belong in a sacred fellowship, either family or church.

Why not say, then, that all these tendencies toward cooperativeness, living in and for the group, humbly submitting oneself to organization, belonging to something bigger than oneself, are the actual fulfillment of what Christianity really stands for? Rather than resist it, why not bless it?

It is a fine line that marks the difference, but it is a line that must be sharply drawn and clearly seen, for it is ultimately the difference between freedom and slavery. It is, indeed, highly desirable and thoroughly Christian that people be able to get together and work together – the Church itself depends upon it – but the question at issue is whether the individual or the group comes first, whether the individual exists to serve the group, or the group to serve the individual. If it is true, as Mr. Whyte contends, that we are witnessing a shift from the primacy of the individual to "an idolatrous worship of organization," whether it be a labor union, a corporation, governmental bureaucracy, or even a church or a council of churches, then the issue is clearly drawn.

The Sanctity of the Individual

For the emphasis that Jesus made, and which has been central in our American and Christian heritage, is upon the sacredness and uniqueness of the individual. Can you imagine Jesus, himself a carpenter, belonging to a union against his will? And, if he belonged, can you imagine his standing for the skullduggery, the coercion, and the regimentation without loudly proclaiming his protest? He would take a whip to demagogues of labor just as fiercely as he did to the money-changers, even though it meant being crucified. I cannot help thinking of the similarity in principle of what happened to Christ and Victor Riesel!

And, to be sure, Jesus had his own organization, and he started the Church. But he saw his band of disciples as a group in training, preparing to go out, as they finally did, on their own; and he respected their individuality even though Peter disputed and Thomas doubted and all of them often argued among themselves. The bond they had in a common loyalty was not intended to obscure and overwhelm

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their differences. The Christian emphasis upon community, when it has been true to itself, has always been upon voluntary, freely chosen association. The tie that unites Christians is not an "imprisonment to brotherhood" but a common devotion to God, in which each approaches God in a way that is intimately and uniquely personal. *It is this vertical and personal reference to God which is finally the only defense of freedom against the horizontal levelism of the collective society!*

What Is Right?

Here, then, are the differences between American-Christian individualism and the new "social ethic" which is replacing it: The sensitivity of the individual is not to the other person's *opinion* by which he therefore determines his own opinion; his sensitivity is to the other person's *wisdom* or *need* whereupon he seeks help or offers his help. He does not ignore public opinion – even if he wanted to, it is difficult to do, and, indeed, he seeks to influence it to holy purposes – but his conduct is finally decided by the will of God as he sees it. If the group moves in a direction that he believes is contrary to the will of God, he will not "go along" in order to be agreeable; he will resist the group and, if necessary, break with it. He does not cooperate just for the sake of being cooperative and therefore to be known as a "regular fellow"; he cooperates only with what is right and good, and, so far from cooperating with what his Christian conscience cannot approve, he will fight. So far from being a conformist, the Christian who follows his Lord is not afraid to be, if necessary, the most forthright of nonconformists. He is not interested in doing what the crowd wants but what God wants. The Eleventh Commandment that says "you must adjust" is not a rule for the Christian's code of conduct. So long as there is evil in the world, and also so long as there is to be respect for individual differences, he can never be "adjusted" in the sense of "fitting in" with everything and everybody around him. His peace is not in mutely accepting whatever is, no matter how outrageous or rotten; his peace is in doing what God commands his conscience.

To Save One's Soul

Anything collective that submerges or denies man's freedom, any group that uses any form of compulsion to coerce his opinion or his silence, any organization that violates or shows no respect for his independent selfhood, is a menace and a betrayal of his status as a son of God. Above all, in

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everything he does or refrains from doing, the Christian will preserve the integrity of his own soul. The word of Jesus is emphatic and crucial for everyone who believes in freedom: "What shall it profit a man if he gain the whole world and lose his own soul?" Paraphrase it any way you wish: *What shall it profit a man to gain all the security in the world if he can no longer call his soul his own!* God's concern is only for persons fulfilling themselves *as* persons, and the group must not be the master but the servant.

Such is our belief as Americans and Christians. Heaven help us if we surrender that belief to the subtle seductions of the herd mind. Let us put a bell on the sleeping cat before it rouses and becomes strong enough to devour us like a race of mice! • • •

IDEAS ON LIBERTY

Concealing the Coercion

IT IS POPULARLY BELIEVED that we have tried liberty and found it wanting. The misplaced faith in government is largely based on the delusion that every evil suffered during the past century has been due to too little government and can be corrected by increasing the scope and functions of political action. Throughout history people have displayed a pathetic faith in government, misunderstanding its true nature. We have chosen to disregard the warning of George Washington, who said: "Government is not reason, it is not eloquence — it is force! Like fire, it is a dangerous servant and a fearful master!" In the final analysis government action is coercive, but in a democracy most people overlook this.

When the government was a monarchy or an oligarchy, it was easy for the people to recognize its otherness; they knew what they were carrying around on their backs. But in a democracy we feel that the government is *us*, and so we can excuse whatever government does by saying that "we are doing it to ourselves." Or, if we are more sophisticated, we say that the government is "ours." And again, whatever government does is excused, because, we ask, who has a right to tell us what to do with what is ours?

For these and other reasons, we succeed in concealing the coercive nature of all political action from even ourselves. Government in action always operates with undertones of violence, either overt or covert, and this makes it an inappropriate instrument to accomplish all the goals politicians promise and people demand.

BEN MOREELL, *Pi in the Sky*

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Let's "Do It Ourselves"

St. Louis Globe Democrat

TO THE EDITOR:

I would like to bring up one point, which I never hear mentioned, concerning the highly controversial river front memorial: Who is going to pay for it? The answer, of course, is obvious — the United States government. But may I dig a little deeper? Who should?

If the citizens of St. Louis and the surrounding country haven't enough pride in the exploits of their forebears in opening up what was then new territory, to pay for it voluntarily, if they'd rather run to Washington — or to any other governmental force — with their hands out, the justification of any project would seem highly doubtful. It would appear as if the sacrifices and hardships of those early pioneers are not sufficiently appreciated by their offspring for the latter to put up the necessary proceeds themselves.

In addition to lack of pride and self-respect, if federal funds are allocated here, is there any reason why all other communities in the country shouldn't have similar projects paid for by federal funds? How can we justify using the coercive power of government to pay for our project and yet reject its use when similar demands are made by others? Such use of other people's money without their consent comes pretty close to legalized stealing, if it isn't that already — even though it may not be so regarded.

It would indeed be a great occasion, in keeping with the spirit of those whom we wish to commemorate, if St. Louis took the bit between her teeth and paid her own total bill for whatever project was decided upon. This is the sort of step, if enthusiastically seized upon, that might conceivably spark a counter-movement against the growing "grab-bag" practices of communities, pressure groups, and other causes that seek to unload the cost of their proposals on others. Such practices, no matter how rationalized, can't help resulting in eventual calamity for all of us unless stopped.

Wouldn't it be refreshing for the people of St. Louis to show enough initiative to take over the leadership in such a venture? Such a memorial, whatever it be, would indeed have a true significance rather than be just another something-for-nothing deal, the financial basis of which would make our forefathers (the very people we wish to memorialize) turn over in their graves.

H. F. LANGENBERG

June 19, 1957

Mr. Langenberg is a partner in the firm of Reinholdt & Gardner, St. Louis.

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OUR FREE ECONOMY: Reality or Cliché

GLENN E. HOOVER

OUR FREE ECONOMY, strictly speaking, is as unreal as a unicorn.

Too many people still believe that our economic system was designed by English colonists who settled here to enjoy the freedoms which were denied them in Europe. With all due respect for our Founding Fathers, that notion is quite wrong. Most of our present ideas concerning freedom were developed on this continent. For instance, the Puritans came here, as some wit observed, "to worship God as they pleased – and make everybody else do the same." In their theocratic government, Quakers, "Papists," and other dissenters were excluded, or treated as second class citizens. The Puritans had their considerable virtues, but religious tolerance was not one of them.

As to economic freedom, you may recall that in both Massachusetts and Virginia, the Fathers first established a communistic system. Food was collectively grown and stored in a common warehouse from which it was distributed according to need rather than work performed. "From each according to his ability and to each according to his need" is the slogan which best describes a purely communistic system, and it was such a system that the Pilgrim Fathers introduced here some two centuries before Karl Marx was born. They did so – if I may needle my ultraconservative friends a bit – because in a normal family group, goods are produced and distributed in the communistic fashion, and they tried first to operate as one big family.

Equipped with our hindsight, it is easy to see why their system failed. But the Fathers, though they made mistakes, were not stupid, and they soon corrected their errors. They found that their system provided them with a ration of only a quarter of a pound of bread a day per person; that the people complained of being too weak to tend the crops as they should; that although they were deeply religious, they had begun to steal from each other. The colonists seemed doomed to extinction.

How the Plymouth settlers abandoned their communistic sys-

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tem and established individual initiative has been told by Governor Bradford, in language every American should read. He records that the colonists "began to think how they might raise as much corn as they could . . . that they might not still thus languish in misery." And so, in 1623, "after much debate of things," it was decided that "they should set [plant] corn, every man for his own particular, and in that regard trust to themselves . . . and so assigned to every family a parcel of land . . . . This had very good success; for it made all hands very industrious." At harvest time, "instead of famine, now God gave them plenty . . . and the effect of their particular [private] planting was well seen, for all had, one way or another, pretty well to bring the year about, and some of the abler sort and more industrious had to spare, so as any general want or famine hath not been amongst them to this day."

It can hardly be said of the pious Fathers that they practiced what is now called Godless Communism. But they certainly practiced communism, nearly perished of it, and learned a lesson which, apparently, each generation must learn for itself, as we seem incapable of learning from the experience of others.

But if the Pilgrim Fathers soon rejected communism, neither they nor their descendants ever achieved complete economic freedom. In all the colonies there were half-free workers known as "indentured servants," and until the war between the states, most of our Negroes were slaves. Three centuries prior to the New Deal, there were governmental controls of apprentices, prices, and wages.

Complete Freedom Never Achieved

In this "land of the free," we have never been allowed to buy freely in foreign markets. All governments seem to restrict foreign trade as naturally as a duck takes to water. There is some quirk in our minds which makes us believe such restrictions affect foreign sellers only. We forget that protective tariffs are designed to enable our privileged domestic producers to exact from us higher prices than would otherwise be possible, and that they do it only too well. Whatever else we may be, we are all consumers, and the freedom to buy at the lowest possible price is, perhaps, the most important of all the economic freedoms. To win this freedom we must recognize that international trade is as much in the public interest as is domestic trade.

In our own country, some persons insist that because of the high rates of our income tax, so-

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cial security program, or a few federal adventures in the building of multi-purpose dams, we are crossing the divide between freedom and socialism. If this is bad, then the alarm should have been sounded long, long ago.

In many of our communities we have long had what the British radicals contemptuously called "gas and water socialism." The people of our community recently voted to create a new government to provide local transportation, and another government may be created to provide rapid transit. Not long ago the citizens of Oakland voted to have their city acquire parking lots to be operated in direct competition with lots now privately owned. This, to me, is a socialistic venture, unless words have lost their meaning, but our business community seemed to be for it, and few citizens were frightened by it. For some decades, in this same area, we have all been drinking socialistic water, brought to us by the East Bay Municipal Utility District. Municipal parking lots are just another example of the "downtown socialism" that business leaders demand.

Federal government policies of recent years have shown a strong socialistic trend, but it also is true that much of our authentic socialism is to be found at the local government level.

Power in the Market Place

Free markets are the core of free economies, and markets are free only if traders are forbidden to exercise monopoly power. The use of monopoly power by the sellers of *goods* has long been forbidden by our state and federal governments.

Do the objections to monopoly prices for *goods* apply equally to monopoly prices for the *services* of workers? On this question, opinion is sharply divided, and we are all tempted to sweep it under the rug, along with the other questions that are "too hot to handle." However, now that several of our larger unions have the power to shut down entire industries if their wage demands are not met, we may have to examine proposals for limiting such power.

Thus far, much of the argument about trade unions has been cloudy or self-serving, and some of it has been hypocritical and intellectually dishonest. For example, union leaders argue that it is impossible to fix a monopoly price for labor because labor is not a "commodity"! And what of our business leaders who profess to "believe in unions" but are enraged whenever they strike or in any other way use the power for which they are organized? Can our industrialists believe that it is all right for unions to have power,

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provided they seldom or never use it? How far they are from Lord Acton's understanding of the corrupting influence of power!

The Role of Pressure Groups

The pressure group technique has spread rapidly. The public treasury is now fair game for shipbuilders and ship operators, airlines, home buyers, pensioners, veterans, and that amorphous but politically appealing group, the "little businessmen." State and local governments got into the act by demanding federal assistance in the building of local roads, airports, sewage disposal plants, and schools. Recently, the "underdeveloped" countries have joined the receiving line, asking their "fair share" of the inexhaustible supply of dollars which the Washington magicians are to conjure up.

To illustrate the profound change that has taken place in our thinking about the proper role of the federal government, let me quote President Cleveland's message to the Congress, dated February 16, 1887.

> I return without my approval House Bill No. 10203, entitled "An Act to enable the Commissioner of Agriculture to make a special distribution of seed in the drought-stricken counties of Texas, and making an appropriation (of $10,000) therefor."
>
> I can find no warrant for such an appropriation in the Constitution, and I do not believe that the power and duty of the General Government ought to be extended to the relief of individual suffering which is in no manner properly related to the public service or benefit. A prevalent tendency to disregard the limited mission of this power and duty should, I think, be steadfastly resisted, to the end that the lesson should be constantly enforced that though the people support the Government, the Government should not support the people . . . .

Some may find President Cleveland's notions a bit old-fashioned, but he had a combination of gumption and courage that is never too plentiful in political circles. Here was a Democratic President, standing on principles, refusing to use tax revenue to buy a few measly seeds for drought-stricken farmers in a democratic state. That was only seventy years ago, a short time in the life of a nation, but time enough for our government's policies to be changed almost beyond recognition.

Obstacles to a Free Economy

A major explanation of our failure to achieve a completely free economy is that too many of us do not know what a free economy is, nor the steps to be taken if we are ever to have one. For example, our relative prosperity is too often ex-

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plained by our "unlimited resources," our "American Know How," or the diligence of our workers.

The notion that North America is better supplied with natural resources per square mile than is Western Europe is one of those persistent myths which economic geographers have not been able to destroy. Even if North America were more favored by nature than the other continents, it would be something for which we should be humbly grateful rather than pretend that it was we who made it so.

As to our vaunted "Know How," the notion that our production techniques are unknown to Europeans is quite untenable. There is no "iron curtain" which prevents such knowledge from flowing freely across the Atlantic. As for the diligence of our workers, that may help explain why we are more prosperous than some countries, but it will not explain why we are more prosperous than the peoples of Northern Europe, the only region with which comparisons should be made.

Large Free Trade Area

The economists whom I respect believe that our relative prosperity is chiefly due to the fact that our economy operates within the largest free trade area in the world. Goods move freely from any part of the United States to any other part, without tariffs, currency controls, or any sort of governmental interference. This enables production to be concentrated where conditions are most favorable. A free market of continental proportions has brought forth our mass production industries in which the division of labor can be carried further than in any other country, and for this reason the per capita productivity of our workers is the highest in the world.

What even a limited freedom can do for a nation's economy has been clearly demonstrated here and in Canada for several generations and, more recently, in Western Germany. With such examples on both sides of the Atlantic, it would seem that the underdeveloped and over-socialized countries could make an easy choice between free enterprise and collectivism. However, the uncommitted peoples will be confused as long as we attribute our economic achievements to our natural resources, our "Know How," or the unusual diligence of our workers, instead of to our free market, free enterprise system.

Those who ignore how freedom has contributed to our prosperity recall the old quip that Columbus, when he sailed from Spain, did

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not know where he was going; when he got there, he did not know where he was; and when he returned, did not know where he had been. There were obvious reasons for the ignorance of Columbus, but those who misread our history have only themselves to blame.

The Choice

It is now accepted doctrine that the "cold war" is not to be the prelude to a hot one, but is primarily a struggle for men's minds. In view of the weapons now available to both sides, we must keep the struggle on that level if there is to be much hope of survival. What are the two ideologies now competing for world favor? As I see it, the choice which humanity is making is essentially between two economic systems, one based on the freedom of the individual and the other based on government ownership and control.

Certain groups believe the struggle is essentially a theological or philosophical one, with Christianity arrayed against what is called Godless Communism. However, with all due respect for those who hold this opinion, I believe the outcome of the "cold war" will be determined chiefly by the world's opinion of the merits of the two economic systems involved.

What we are witnessing may be called a Great Debate of worldwide proportions, and we are more likely to win it if we stress our economic differences rather than our theological ones. We are living in a scientific age, and the Western World abounds with agnostics, rationalists, and others who have little interest in religious controversy. They, together with the non-Christian millions of Asia and Africa, will remain indifferent to a conflict represented to them as one between Christianity and Rationalism. To state the issue in these terms might well foredoom our efforts to failure. If we are to convince the world that free enterprise is preferable to socialism, we must first understand these systems better than we now do. Repeating the cliché that the issue is between a slave economy and a free economy is not enough. In the Western World, including our own country, there is still so much of government ownership and control that our talk of freedom has a hollow sound.

By Our Actions . . .

From propaganda by word we must switch to propaganda by deed. For example, we must cut our agriculture free of the strangling controls which restrict production, deprive our farmers of foreign markets, and take from us as consumers and taxpayers some

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billions of dollars each year. We must also undertake the elimination of all governmental restrictions on international trade as well as domestic trade. Acts such as these will do more to convince others that we are committed to a free economy than will any amount of costly propaganda.

Finally, to achieve a completely free economy, we must give more thought to the essentials of it than is now the fashion. Too many of us assume that we have finished the job, and we go about exchanging clichés and congratulations with each other, instead of observing how far short we are of the mark. Too much of the propaganda for our way of life seems designed for minds that are receptive to our "singing commercials." To achieve and maintain freedom, in economics or any other field, will require more intellectual effort than we have thus far given it. • • •

AN ARGUMENT AGAINST PROGRESS

FREDERIC BASTIAT (1801-1850)

SOME YEARS AGO when I was in Madrid, I attended a session of the Spanish parliament. The subject of debate was a proposed treaty with Portugal for improving the Douro River to facilitate navigation between the two countries. One deputy argued as follows:

"If the navigation of the Douro is improved, commerce between our country and Portugal can be carried on at less expense. Thus the grain of Portugal will be sold in our markets at a lower price than is now the case. This cheap Portuguese grain will compete with our own national grain industry. Therefore, I oppose this navigation project unless our government promises to raise the tariff high enough to prevent any increase of Portuguese grain into Spain."

A short while later, I was in Lisbon, and also attended the parliament there. The same treaty was being discussed by the Portuguese legislators. A noble hidalgo spoke as follows:

"This proposed project is absurd. At great expense, we have placed guards along the banks of the Douro to prevent Spanish grain from invading our markets. Now, at the same time and also at great expense, it is suggested that we facilitate the invasion of that grain by improving navigation on the Douro! This is an example of inconsistency to which I cannot assent. Let us leave the Douro in its present condition."

Translated by Dean Russell from *Selected Works of Frédéric Bastiat*, Volume 1, p. 92; Guillaumin, Paris, 1863

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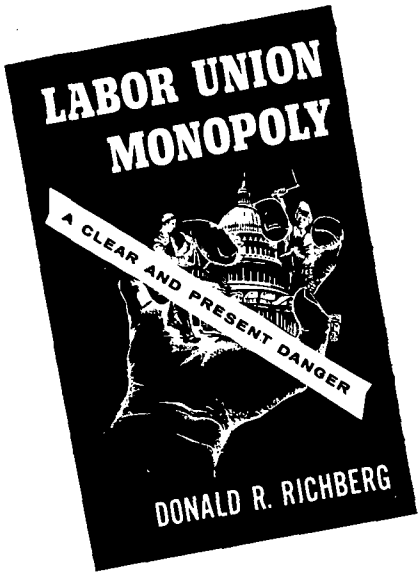

A REVIEWER'S NOTEBOOK

The New Slavery

JOHN CHAMBERLAIN

DONALD R. RICHBERG, labor lawyer and boss of the NRA during its last stuttering days, has been through the wars. He co-authored the Railway Labor Act of 1926, he knows the history of Supreme Court decisions affecting labor, and he has a good command of economics. Accordingly, when he writes a book called *Labor Union Monopoly: A Clear and Present Danger* (Regnery, $3.50. 175 pp.), it is a pretty clear indication that the labor movement has "come full circle" (Mr. Justice Jackson's phrase for it) and is now wielding a power which was once popularly ascribed to the "trusts."

As Mr. Richberg tells the story, the whole contemporary problem had its origins in America's participation in World War I. Prior to 1917 the American labor movement – or at least that large part of it which constituted the American Federation of Labor – eschewed politics. It believed in free collective bargaining with management, without asking that the State intervene either to set the stage or to affect the result. On Election Day labor followed Samuel Gompers' prescription: It "rewarded its friends and punished its enemies." But the union members did this as individuals – and they might (and often did) differ with the union leaders over the definition of "friend" and "enemy."

In World War I, however, the federal government took over the railroads and put them under a commissar, namely, Secretary of the Treasury, William G. McAdoo. This put the State into the business of dealing with both labor and management and exercising

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the final right of enforcing a "public" decision on both of them. McAdoo encouraged the organization of nonoperating railway workers to the point where labor got the idea that the power of government could work magic if one could only capture and hold it for keeps. After the war, railroad labor put the new theory to the test; and in 1926 it succeeded in getting the Railway Labor Act through both houses of Congress. This was the "entering wedge"; it made Washington a "third party" to labor disputes, and the struggle was on for the control of the "third party" mechanism.

The Pendulum Swings

Mr. Richberg sympathizes with the unions' general position in the "dark age" when injunctions were freely granted to put an end to local violence in labor disputes. He still thinks the judiciary sided altogether too flagrantly with the factory and mine owners in the days when the State of Pennsylvania maintained its Coal and Iron Police. Judging from the tone of his book, he still regards the Clayton Act, the so-called "Magna Charta of labor," as a good thing in balance. But now that labor is "top dog" after twenty years, during which the judiciary has sided all too flagrantly with the union bosses, he thinks that such mechanisms as the Railway Labor Act and the Clayton Act are no longer utilized in the proper spirit. Labor has been using its "charter" not as instruments of freedom, but as repressive "class" legislation of its own.

The blame for the misuse of the Clayton Act he places squarely on the U. S. Supreme Court. According to the late Chief Justice Charles Evans Hughes, the framers of the Clayton Act merely intended to forbid application of the antitrust laws to unions which were "lawfully carrying out . . . legitimate objects." But the opinion of Chief Justice Hughes was destined to become the minority view of the Supreme Court. Today the Clayton Act is interpreted to mean that unions are exempt from the Sherman Act under any and all circumstances, thus giving labor a total immunity which was never intended in the days of Woodrow Wilson.

Coercive Restraints by Unions

As things stand now, a labor union can get away with a whole variety of monopolistic restraints. Electrical workers in New York have made deals with employers to exclude the products of certain manufacturers, and to control prices. There is even one notorious instance in which a union has refused to permit its members to

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work for one particular employer and simultaneously refused to allow this employer's self-chosen men either to work on a nonunion basis or to join the union after being hired.

This effective denial of the right of an entrepreneur to conduct his business on any terms has been enforced by the State, much to the horror of the late Mr. Justice Robert Jackson. Said Jackson in a strong dissenting opinion: "This court now sustains the claim of a union to the right to deny participation in the economic world to an employer simply because the union dislikes him. This Court permits to employees the same arbitrary dominance over the economic sphere which they control that labor so long, so bitterly, and so rightly, asserted should belong to no man."

Compulsory Membership

It is over the question of "compulsory unionism: the new slavery" that Mr. Richberg really waxes indignant. The closed shop, or the compulsory union shop, he notes, delivers a worker to a union organization without recourse. This means, in practice, that union members must follow their leaders even against the dictates of their own individual consciences. If a man cannot resign from a union if he is displeased with its leadership, its methods, or its philosophy, he has no power to check the tyranny of a majority.

The unions have argued that "majority democratic rule requires the minority to support the majority," and they point to citizenship in a nation as analogous to membership in a union. But the analogy is faulty, for in a free nation one can always organize an opposition with impunity, and one is not required to contribute to the political support of the majority party or its ideas. As Mr. Richberg puts it: "Those who espouse compulsory unionism are essentially adopting the communist theory that there should be only one party to which everyone should give allegiance and support."

When unions achieve an effective monopoly status, the drive to "industry-wide bargaining" becomes virtually irresistible. "Industry-wide bargaining" takes no account of local conditions or the means of individual employers. Under industry-wide agreements the wage scale of the most prosperous companies tends to be forced on all companies in a given field. Faced with the necessity of paying what is for them an uneconomic wage, the small, weak companies must seek some sort of protection. One way of getting protection is to merge with a bigger unit of the industry. Another way

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is to crawl gratefully under a "price umbrella" supplied by a big "competitor." The big fellows can get away with "maintained prices" under industry-wide wage scales, for they do not need to fear cost-cutting tactics on the part of fringe companies which might, in a free labor market, hire men under special options.

Thus industry-wide bargaining helps promote monopolistic stiffnesses in the economy and narrows the customer's freedom of choice. Labor suffers for two reasons: first, because it is itself a customer; and second, because the "fringe" employer no longer has much of a chance to become a big fellow (and a big employer) on his own.

Three Suggestions

Mr. Richberg offers three propositions to curb union monopoly. He would amend the Clayton Act (or the Supreme Court's own "legislative" extension of the Clayton Act) to make "the creation and exercise of monopoly powers by labor unions . . . unlawful." He would have Congress declare compulsory unionism to be a form of "involuntary servitude" within the definition of the Thirteenth Amendment. And he would make strikes "unlawful" when they are "strikes against the public health, safety, and welfare," or "strikes to compel political action," or "strikes without a preceding reasonable effort to avoid a strike," or "strikes conducted with the aid . . . of criminal violence."

Mr. Richberg sees many things clearly. What he does not yet see (or make explicit) is that one cannot go even a little way along the road to statism without being dragged the rest of the way. The original mistake made by the American people was to permit the government to run the railways during World War I. This was expedient, it was a "national emergency" method of solving a problem. But it was not necessary. One thing led to another, the consequence of it being that not merely railway labor in particular but the labor movement as a whole finally abandoned the Gompers' philosophy of voluntarism.

Thus the big oak from the little acorn. Mr. Richberg should have been harder on his own brainchild, the Railway Labor Act, than he has been in these otherwise extremely illuminating pages. • • •

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. . . NOW SOMETHING IS BEING DONE ABOUT PARCEL POST SUBSIDIES

85TH CONGRESS
1ST SESSION

H. R. 8108

IN THE HOUSE OF REPRESENTATIVES
JUNE 13, 1957

A BILL

To provide for control by the Interstate Commerce Commission of the reformation of rates on fourth-class (parcel post) mail, and for other purposes.

1 *Be it enacted by the Senate and House of Repre-*
2 *sentatives of the United States of America in*
3 *Congress assembled,* That section 247 of title

Most businessmen know what parcel post deficits mean as an unfair burden on the taxpayer . . . the extent to which government subsidies ignore the principles of private enterprise.

A bill—H. R. 8108—has been introduced in the House of Representatives . . . a bill calling for a study of parcel post service and its cost based on sound commercial accounting practices; and then, on the basis of the findings, calling for rate reforms aimed at making parcel post pay its own way—a recommendation of the Hoover Commission.

The bill, of course, will be fought by those who are still thriving on the special privileges granted by present rates.

There you have, in a few words, the story of the new bill that can mean far-reaching reform . . . by requiring the user of the parcel post system to pay his rightful share.

For a free copy of an informative booklet, "The Truth About Parcel Post," write to:

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A PRIVATE ENTERPRISE IN THE PUBLIC SERVICE

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Can you answer these questions about taxes?

Q: Do you pay taxes in your electric bill?

A: Yes. About 23¢ out of every dollar on the average family electric bill goes for taxes.

Q: Does everyone pay this much tax in his electric bill?

A: No. Several million American families and businesses pay a far smaller tax—only a fraction of the tax you pay.

Q: Who are these "privileged" people?

A: People who get electricity from federal government electric systems.

Q: Why don't they pay the same taxes *you* pay?

A: A strange twist in federal law exempts them from paying most of the taxes in electric bills that you pay *because they get their electricity from federal electric systems.*

Q: Isn't that unfair? Shouldn't every American pay his fair share of taxes?

A: Yes. American standards of fair play call for each citizen to pay his fair share of taxes.

America's Independent Electric Light and Power Companies*

*Company names on request through this magazine

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FROM A LIBERTARIAN'S LIBRARY

IT TAKES no great psychological acumen to observe that we enjoy passing judgments on matters of which we know very little. This is bound up with our taste in configurations. Problems to which we have devoted scrupulous scrutiny and arrangements which we have delved into deeply offer no scope for application of the simple models that we inherently prefer. It is a relief to turn to problems of which we are ignorant and to which we therefore may apply our models. Be it noted that the greatest scientists who have mastered prodigious complexities are apt to come out with the most naive views on social problems, for example. Their minds are taking a holiday, reverting to the effortless and invalid judgment of seemliness. We could assume that those who are best aware of the difficulties of grasping a process in their own fields should be most chary of passing sightseer-judgments on other matters; but this is contrary to reality. Our affection for simple patterns is so basic to our nature that the more we must bow to the actual complexities of organizations we understand, the more we want to find simplicity in other organizations.

From an essay, "Order vs. Organization" by Bertrand de Jouvenel, in *On Freedom and Free Enterprise* edited by Mary Sennholz, D. Van Nostrand Company, Princeton. 333 pp. $3.50.

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